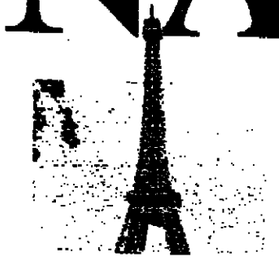
FINANCIAL TIMES

Start the week with...



Dateline
Pollution in Paris
David Buchan, Page 9

US economy
Will the Fed raise rates?
Gerard Baker, Page 18

Today's Surveys
Guernsey Insurance
Separate sections

World Business Newspaper http://www.FT.com MONDAY MARCH 24 1997

Crédit Lyonnais head raises stakes in Brussels row

Crédit Lyonnais chairman Jean Peyrelevade suggested he would resign if the European Commission forced him to sell off many more of the French state-owned bank's activities. In an interview with the FT, he said: "You cannot have any further significant reduction in the perimeter of the bank without destroying it." The French government is expected to submit a privatisation plan for the bank to European competition authorities in Brussels within weeks. Page 19

Fears over Asian car output: Asia's car production capacity is growing far in excess of forecast demand in the region, creating a risk of a serious shake-out by the end of the decade, a survey by business research concern DRI/McGraw Hill shows. Page 18

Disney in Tokyo refinancing deal: US entertainment company Walt Disney negotiated a ground-breaking deal to refinance a Y73.4bn ($597m) loan which is backed by future royalties from Tokyo Disneyland, the world's most frequently visited theme park. Page 19

Communists attack Yeltsin: Russian president Boris Yeltsin faced a chorus of Communist criticism over his Nato policy after his return from the Helsinki summit, while western leaders hailed the two-day meeting between Mr Yeltsin and US president Bill Clinton as a breakthrough. Page 2

C&W publishes offer document: UK-based telecommunications group Cable and Wireless will today publish the offer document for the formation of Cable and Wireless Communications. The company will be formed from C&W subsidiary Mercury Communications, with UK cable companies Nynex CableComms, Bell CableMedia and Videotron. Page 19

Delay likely for Bass deal: A UK government ruling on Bass's proposed £200m ($318m) acquisition of rival Carlsberg-Tetley is expected to be delayed until a new government is formed after May 1. Page 19; Lex, Page 18

UK 'ill-prepared' for single currency: British industry is ill-prepared for the European single currency, finance directors of Britain's largest companies say in a report. Page 7

Record capital flow: Record levels of private capital flowed to developing countries last year, driven by "good" macroeconomic policies, infrastructure privatisation and investors' thirst for higher yields, a World Bank report says. Page 6

Cuba trade talks restart: Talks between the US and the European Union resume in Brussels today. They aim to avert confrontation over US legislation designed to penalise foreign investors in Cuba. Page 4

Spain to release 'dirty war' secrets: The Spanish government is to release secret service documents on the "dirty war" waged under the previous Socialist administration against Basque militants. Page 2

Lithuanian nuclear plant 'unsafe': Lithuania's nuclear power station at Ignalina is unsafe and should be shut down pending safety improvements, a group of international nuclear experts said. The station supplies 65 per cent of the country's needs. Page 2

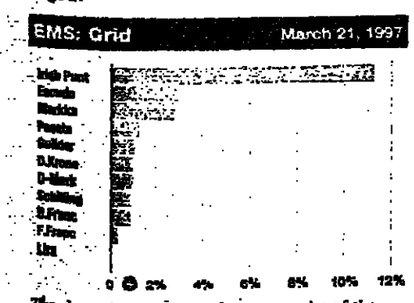
Six-day opening likely for French banks: France's commercial banks may soon open branches six days a week and introduce more flexible working hours following an overhaul of 60-year-old legislation. Page 2

TB control 'offers economic benefits': Control of tuberculosis would bring big economic returns as well as health and social benefits, the World Health Organisation says. TB kills an estimated 3m people a year. Page 6

Tulu regains cross-country title: Ethiopian runner Derartu Tulu narrowly beat Britain's Paula Radcliffe in Turin to win the women's world cross country title for the second time. Defending champion Getenesh Wami from Ethiopia was third.

European Monetary System: The Irish punt strengthened its position at the top of the EMS grid last week, while the Italian lira remained under heavy pressure. The Danish krone rose three places in the grid. Currencies, Page 27

EMS: Grid March 21, 1997



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the system. Most of the currencies are permitted to fluctuate within 15 per cent of agreed central rates against the other members of the mechanism. The exceptions are the D-Mark and the guilder which move in a 2.25 per cent band.

FT.com: the FT web site provides online news, comment and analysis at http://www.FT.com

UK 'to veto' defence plan

France and Germany push for closer EU ties

By Caroline Southey in Brussels and Lionel Barber in London

France and Germany will tomorrow launch a fresh initiative for closer co-operation on European Union defence policy, in an effort to reinvigorate the Maastricht treaty review conference.

Backed by Italy, Spain and Belgium, the initiative proposes a phased integration of the EU and the Western European Union (WEU), its fledgling defence policy arm.

Britain is vehemently opposed to the idea and has threatened to veto it. The UK believes EU/WEU integration is impractical because the two do not have the same membership – four EU countries are not WEU members. And the proposal has provoked reservations among those four "neutral" states – Ireland, Finland, Sweden and Austria. Sweden in particular faces a domestic backlash if it agrees to proposals threatening its neutrality.

The initiative – described as "politically significant" by a senior EU diplomat – is being unveiled on the 40th anniversary of the Treaty of Rome. EU foreign ministers convene in Rome tomorrow to celebrate the anniversary.

However, senior WEU officials are unenthusiastic about a full-scale merger, which they believe could lead to crossed lines with Nato, the Atlantic alliance. The WEU does not have any defence capacity independent of Nato, and would rely on the alliance for troops and equipment.

The Franco-German initiative envisages EU leaders signing a protocol at the intergovernmental conference (IGC) committing the union to full integration with the WEU, and it proposes integration should take place in three phases.

In the first phase the EU would be able to call on the WEU to fulfil peacekeeping tasks, including humanitarian operations. This proposal was also included in the IGC proposals tabled at the EU Dublin summit in December.

Under the second phase the European Council of Ministers would be given the power to set guidelines and define policy for the WEU. Under the third, the two organisations would become fully integrated.

The foreign ministers will also discuss a new text drawn up by the Dutch presidency aimed at narrowing differences at the intergovernmental conference. It covers six areas, and the foreign ministers hope to agree on it at their Amsterdam summit in June.

The six areas are: institutional reform, including majority voting; fundamental rights; justice and home affairs; common foreign and security policy; the legal personality of the union; and closer co-operation between countries favouring faster integration.

The concept of "closer co-operation" has replaced the earlier term of "flexibility" which provoked opposition among some members who feared it could lead to an elite grouping within the EU.

Before the Rome meeting the ministers convene today in Brussels to consider the EU's involvement in Albania.

Ms Emma Bonino, the European commissioner for humanitarian aid, will warn that no aid can be delivered unless security measures are taken to protect staff and convoys.

Hopes grow for German steel merger

By Peter Norman in Bonn

The likelihood that German steelmaker Krupp Hoesch and rival Thyssen will agree to form a joint steel company increased at the weekend as political and trade union pressure for an amicable settlement grew in reaction to Krupp's hostile bid for Thyssen last week.

But while the chief executives of the two companies pressed on with negotiations, Krupp and its advisers continued preparations to revive the cash offer to Thyssen shareholders, should the talks fail.

Krupp Hoesch's supervisory board met in Essen on Saturday to discuss the company's next move following the bid of DM435 ($257) per share launched by Mr Gerhard Cromme, Krupp's chief executive, for the larger Thyssen group. It agreed to meet again on April 2.

By then, the deadline of Thursday March 27, set by Krupp for completion of the talks, will have passed, and Thyssen, whose supervisory board meets on Thursday, should have decided whether to pursue a steel merger.

In an interview with a Sunday newspaper, Mr Dieter Vogel, Thyssen chief executive, said the aim of the negotiations was to form a joint steel company "under the leadership of Thyssen".

Although Krupp bid for the whole of Thyssen, it is thought that it would accept such a solution provided other conditions were met, because it would achieve about 70 per cent of the synergies expected from the original bid.

However, Krupp has made sufficient credit arrangements to cover the cost of its bid. The credits would neutralise a potential "poison pill" defence by Thyssen should it decide to use its existing authorisation from shareholders to raise capital by a nominal DM500m ($295.8m) by 2001.

Underpinning the Krupp bid are calculations that a total takeover of Thyssen could yield synergies worth DM1bn a year and that subsequent disposals of unwanted Krupp and Thyssen holdings would lead to a rapid reduction of the borrowings required for the bid.

Although the steel talks are shrouded in secrecy, leaked information points to progress. Mr Georg Bongen, leader of the Thyssen workers' councils, quoted Mr Vogel as saying "We are going well". Mr Klaus Matthiesen, leader of the Social Democrat MPs in the Düsseldorf parliament and a member of the Krupp supervisory board, was optimistic after the Saturday meeting. One official close to the talks said the atmosphere "was very constructive".

Chancellor Helmut Kohl added to pressure for an amicable settlement by calling on the companies to show "social

Continued on Page 18
World stocks, Page 33

Palestinians hurl stones at Israeli soldiers yesterday during rioting over Israel's insistence on building a Jewish settlement in Arab east Jerusalem. Israel urged Palestinian leaders to crack down on Hamas, which was responsible for last week's suicide bombing. Report, Page 18 Reuter

Market set for flood of Russian overseas bond issues

By Edward Luce

Russia's Central Asian Republic of Tatarstan is the latest in a lengthening queue of Russian entities to announce plans for forthcoming overseas bond issues.

Russia's cities, autonomous republics and companies are desperate for hard currency and there is a growing appetite for Russian debt on the world's capital markets.

The Russian Federation launched its second international debt offering earlier this month after the success of the first last September, paving the way for a flood of non-sovereign Russian bond issues later this year.

The cities of Moscow and St Petersburg are expected to be among the first to tap the international debt markets in the next few weeks, with eurobonds of between $300m and $400m apiece.

Others planning to borrow overseas include Red October, Russia's oldest confectionery group, and the Russian railway ministry.

The regional government of Sverdlovsk has appointed WestMerchant Bank to lead manage a $100m eurobond offering, while AO Tatneft, Tatarstan's main oil company, has recommended Dresdner Kleinwort Benson to manage its issue.

Ros Telecom, Russia's long-distance phone company, and Gazprom and Lukoil, the natural resource conglomerates, are thought to be considering dollar bond offerings.

"There is very strong investor appetite for all types of Russian debt," said a syndicate official at WestMerchant Bank in London. "At the moment there are only two international Russian bonds in the market so there is a large gap waiting to be filled."

Bond analysts say political uncertainty had delayed the launch of planned bond issues, but President Yeltsin's

Continued on Page 18
Yeltsin faces flak, Page 2
Moscow outsider, Page 16
Editorial Comment, Page 17

$11bn European frigate threatened by disagreement

By Bernard Gray in London

Britain, France and Italy will not meet the end-of-March deadline to resolve their differences over the $11bn Horizon frigate programme, and are unlikely to do so before the UK general election on May 1.

If the opposition Labour party won the election, the programme to produce air defence ships for the three navies would have to be re-assessed, possibly as part of Labour's proposed overall defence review, halting any further progress for several months.

However, France may not be prepared to wait for any British review since it badly needs escort ships to protect its aircraft carrier, Charles de Gaulle, which will enter service in 2001. As a result, the programme is in danger of collapse.

In spite of intensive efforts by defence ministry officials from all three nations, there has been no narrowing of differences over the capability of the weapons system for the ship, which has proved the main stumbling block.

Differences have centred on the capability of the Principal Anti-Air Missile System (Paams), which would be used to shoot down incoming missiles or aircraft.

Britain, conscious of its experience in the Falklands war, wants a system capable of defending against many targets in a wide area, while France and Italy would accept a more modest system.

France has argued strongly that the British demands are excessively sophisticated, particularly at a time when defence budgets are being cut. Yet Britain insists the system must be able to defeat a mixture of missiles from different directions simultaneously, in a scenario which has been codenamed "Column II". France, however, would settle for a system able to beat a simpler "Column I" scenario.

If the two countries cannot agree, it may be necessary to produce two different versions of Paams. However, this would generate problems of its own since the two variants would increase costs. France and Italy are also concerned that Britain could market its more sophisticated version for export, in competition with the Franco-Italian version.

French and Italian companies, meanwhile, have little incentive to improve the performance of their system to meet British requirements, and avoid the split.

British payments to the two countries to pay for earlier development work on the missile system completed by the aerospace companies Alenia and Aérospatiale will go to the two countries' treasuries, rather than the companies involved.

CONTENTS

LONDON · LEEDS · PARIS · FRANKFURT · STOCKHOLM · MADRID · NEW YORK · LOS ANGELES · TOKYO · HONG KONG

Six-day opening likely for French banks

By Andrew Jack in Paris

France's commercial banks may soon be able to open branches six days a week and to introduce more flexible working hours following a long-awaited overhaul of controversial legislation dating back 60 years.

The leading financial sector unions are expected to announce their reaction today to draft proposals circulated last week by the government. These are designed to replace a ministerial decree issued by the leftwing Front Populaire government in 1937.

The recommendations would preserve the right of every bank worker to take two consecutive days of holiday each week, including Sunday, but introduce the possibility of shift working and extended daily hours to bring the sector in line with labour regulations applying to the rest of the French economy.

The change, endorsed by Mr Jean Arthuis, the finance and economics minister, and Mr Jacques Barrot, the social affairs minister, comes after unions indicated recently a willingness to renegotiate the decree. A previous round of talks on the subject collapsed more than two years ago.

The Association of French Banks has long attacked the existing rules, which it says are uncompetitive because they only apply to the country's banking sector – and even then only to its commercial banks, not to its rivals such as the post office, savings banks and mutuals.

Crédit Lyonnais, the state-owned bank, has managed to negotiate more flexible working hours across its workforce in a derogation from the 1937 decree, and its private-sector rivals Banque Nationale de Paris and Société Géefirale have reached some local accords.

The staff unions have expressed concern in the past few days that the government's latest proposals liberalise working conditions but provide little by way of guarantees or concessions in exchange – all of which would be negotiated by individual discussions between banks and unions.

When they indicated their willingness to modify the 1937 decree, they stressed that they wanted the new version applied to banks outside the commercial sector, and pledges to reduce overall working hours, increase employment and introduce part-time working.

While France is a secular state, the country's unions have helped ensure that Sunday remains a sacred day, when few companies have the possibility of operating. Even the growing use of telephone banking services in the country is limited to six days a week.

The government has indicated that, after consultation, it hopes to finalise a new version of the decree within the next few weeks.

FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 596 4481. Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brüssel, Colin A. Kennard as Geschäftsführer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. The shareholder of the Financial Times (Europe) GmbH is Pearson Overseas Holdings Limited, 3 Burlington Gardens, London, W1X 1LE. Shareholder of this company is Pearson plc, registered at the same address

GERMANY:
Responsible for Advertising content: Colin A. Kennard. Printer: Hürriyet International Verlagsgesellschaft mbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu Isenburg ISSN 0174 7363. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.

FRANCE:
Publishing Director: F. Maraviglia, 42 Rue La Boétie, 75008 PARIS. Telephone (01) 5376 8254, Fax (01) 5376 8253. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN 1148-2753. Commission Paritaire No 67808D.

SWEDEN:
Responsible Publisher: Hugh Carnegy 468 618 6088. Printer: AB Kvällstidningen Expressen, PO Box 6007, S-550 06, Jönköping.

Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
R

Yeltsin flies home into Communist flak

President hopes for long-term economic benefits from summit but his opponents see only betrayal

By Chrystia Freeland in Moscow

President Boris Yeltsin faced a chorus of Communist criticism over his Nato policy yesterday after his return from the Helsinki summit, but his more pressing concerns were economic.

Western leaders hailed the two-day meeting between Mr Yeltsin and President Bill Clinton as a breakthrough in Washington's effort to press ahead with Nato's planned eastward expansion without alienating Moscow.

The summit made some progress towards achieving that goal by offering Moscow increased economic integration with the west to soften the blow of enlargement of the alliance.

That trade-off appeared convincing to Mr Yeltsin, who stuck to his formulaic opposition to Nato expansion, but made it clear that resistance would not dim Russia's desire to deepen its political and economic co-operation with the west. But the deal infuriated Mr Yeltsin's Communist opponents, setting off a wave of criticism over the weekend. The tone was set by Mr Gennady Zyuganov, the Communist chief, who denounced Mr Yeltsin's performance in Helsinki as "a crushing defeat".

The Communist press followed that lead, with Sovietskaya Rossiya describing the summit as "a capitulation by the current traitorous Russian regime before the United States and Nato".

Even Mr Gennady Selezniev, the Communist speaker of parliament, who has been gradually inching closer to the Kremlin camp, reaffirmed his categorical opposition to Nato expansion. He argued that it would "inevitably lead to new lines of division in Europe and the revival of a psychological climate of suspicion and hostility".

But, for the Kremlin, this carping is overshadowed by mounting domestic grievances over months of unpaid wages and pensions. That anger threatens to boil over during a nationwide strike set for Thursday.

There is no quick fix to the economic problems behind this week's protest, but Mr Yeltsin is hoping that, in the longer run, the economic agreements at the summit will pave the way for greater prosperity by bringing Russia in to the world economic community.

The US presented Moscow with a package of economic support, including a pledge to help Russia join the Paris Club of creditors in 1997, the World Trade Organisation in 1998, and the promise of an expanded role for Russia at the next meeting of the Group of Seven industrialised nations in Denver, Colorado.

None of these initiatives is new. Paris Club officials announced last year that Russia was a welcome candidate for membership, the country's role in the G7 has been steadily expanding since the collapse of the Soviet Union, and, as market reforms have taken root, Russia has been making progress towards WTO accession.

Moreover, despite the amicable mood of the summit, the US made it clear that Russia was not being offered a free ticket to join the world economy's most important clubs. Instead, their joint statement stipulated that Russia would be brought in "on commercial conditions generally applicable to newly acceding members".

That message was further underscored by Japan, one of the most powerful G7 members. Mr Ryutaro Hashimoto, the prime minister, made it clear yesterday that Tokyo would not allow the effort to soothe Russia's wounded ego through greater G7 participation to jeopardise the organisation's work.

Despite these constraints, the economic promises of the summit could be important, especially in their impact on Moscow's political mood.

As the summit concluded, Mr Yeltsin seemed genuinely convinced that he had won economic backing from a previously grudging US. Even though the promises he was given have been on the table for some time, the fact that he now thinks they are worth having could speed up Russia's own efforts to join the world economy.

Editorial comment, Page 17

Lithuanian N-plant unsafe, say experts

By Simon Holberton in London and Matthew Kaminski in Helsinki

Lithuania's nuclear power station at Ignalina is unsafe and should be shut down pending urgent safety improvements, a group of international nuclear experts has told the country's government.

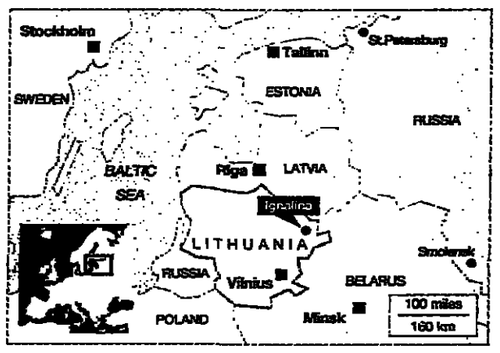
The two 1,500MW reactors at Ignalina are the largest Chernobyl-style RBMK reactors ever built. They produce more than 80 per cent of the electricity generated in Lithuania, and supply 65 per cent of the nation's needs.

Unit 1 is due to be shut down for normal maintenance in the next week or so and the international experts do not want it restarted until $130m is spent improving its safety. A similar sum needs to be spent on Unit 2 which is due for periodic shutdown later this year.

In the event of an accident, say the experts, the release of radioactivity could be "large" because Ignalina's reactor core lacks the containment usual in western reactors. Such a lack exacerbated the disaster at Chernobyl, scene of the world's worst nuclear accident when the core of reactor No. 4 melted in April 1986 and radioactivity escaped freely into the atmosphere.

The experts are critical of Ignalina's management who they consider lack the necessary "safety culture" to operate a nuclear plant properly.

"Existing emergency procedures are not of sufficient detail or practised sufficiently that a high degree of confidence may be attributed to operator actions which may be necessary to recover from potential accident situations," the say.



Their report is the product of the first joint east-west study into the safety of Russian reactors. It cost Ecu8.8m ($10m) and was paid for by the Nuclear Safety Account, a fund set up initially by the Group of Seven leading industrialised countries, but now augmented by contributions from other countries.

It is due to be published today by the European Bank for Reconstruction and Development which administers the Account. It is seen as a landmark in that it provides a model for how to conduct the east-west dialogue over nuclear safety issues.

However, the demand by the group of international safety experts for Ignalina's closure is controversial in Vilnius, which regards its nuclear sector as vital in meeting the country's energy needs.

Mr Vitautas Bielauskas, head of the nuclear energy department at Lithuania's energy ministry, said the government was aware of the expert report but that it would not close either reactor. Instead, Lithuania "accepts practically all the recommendations" for improving safety made in the report and will look for the needed funding, he said

Lithuanian officials claim safety has already been improved. The Swedish nuclear authority in the past five years provided extensive support.

"Ignalina is in much better shape than most Russian reactors," Mr Bielauskas said. "If anyone finds a reason why it is really dangerous to operate, we will close it immediately. But now there's not enough proof."

The expert report could have implications for the early closure of 11 RBMK reactors currently in operation in the former Soviet Union, mainly in Russia. Professor Armen Abagyan, vice president of Rosenergoatom, the utility that operates most of Russia's civilian nuclear facilities, was a member of the study and endorsed its findings.

Fur flies over call to bury Lenin

By John Thornhill in Moscow

Some Russian scientists have joined a ferocious campaign to keep Lenin in his mausoleum in Red Square claiming the preservation of his embalmed body 73 years after his death ranks as one of the country's finest technical achievements.

Mr Yuri Denisov-Nikolsky, deputy director of a Russian medical institute, said burying Lenin would be a "thoughtless loss" to world science irrespective of its political significance.

"There is no other example in world history of such a unique object being reliably preserved for so long," he said.

The debate about what to do with Lenin's remains was renewed earlier this month when President Boris Yeltsin suggested it was time to bury the Bolshevik leader alongside his mother in St Petersburg.

But Russia's Communist-dominated parliament last week reacted with outrage to the idea, supporting a motion to prevent "this act of vandalism" by a majority of 215 votes to 11.

The vote has no practical significance given that a quorum of MPs was not present in parliament, but the row highlights just how raw an issue Russia's tumultuous history remains.

Mr Victor Anpilov, the leader of one of Russia's most hardline Communist groups, vowed he would personally stand outside the mausoleum and shoot anyone who attempted to remove Lenin's body.

More moderate Communists argue that the mausoleum is one of Unesco's sites of cultural importance and cannot be demolished.

Lenin's mausoleum, built in 1930, has become a shrine to generations of Communists and one of the world's more ghoulish tourist attractions for millions of foreign visitors. Similar monuments were built for the prominent Communist leaders of other countries such as Bulgaria, Czechoslovakia, Angola and Vietnam.

Strangely, the decision to embalm Lenin and keep his body on view after his death in 1924 owed much to the Orthodox Russian belief that the remains of saints never decomposed.

"Thus, the Bolshevik who five years earlier in a noisy campaign of blasphemy and ridicule exposed as sham the relics of Orthodox saints, created a holy relic of their own," wrote Richard Pipes in his history of the Bolshevik regime.

Russia's present-day Communist leaders claim the majority of their countrymen would be appalled by the decision to remove Lenin's body. But their assertion contradicted a straw poll conducted by the Moskovsky Komsomolets newspaper in which 216 of 28 respondents supported the idea of a swift burial.

Its readers suggested a host of alternative uses for the mausoleum, a square building in the shadow of the Kremlin which once served as the reviewing stand for the Soviet Communist party leadership.

One reader suggested it should be turned into a museum of the history of totalitarianism; another proposed erecting a cross in it place to commemorate the victims of communism.

There have been also been suggestions to bury the remains of Lenin and Nicholas II, Russia's murdered last Tsar, on the same day in a final act of historical reconciliation.

Madrid opens the way for telecom entry

Government is pressing ahead but its plans are being fought by Telefónica, writes Tom Burns

The Spanish government is to fix a low telephone interconnection fee in order to allow Retevisión, its planned second telecoms operator, to compete aggressively in the domestic market against the national operator, Telefónica.

A 15-day pre-selection period for Retevisión, the state-owned television transmitter company, will begin next week, and candidates will subsequently have two months in which to prepare bids for 60 per cent of the company's equity.

Retevisión will have to pay Telefónica an average Pta5.23 ($0.036) per minute for the use of its lines, which is less than the amount it is seeking. Telefónica will be compensated by increased subscription fees and charges representing increased earnings of some Pta50bn ($350m).

Mr Rafael Arias-Salgado, the development minister, who is in charge of deregulating the telecoms sector, has set a minimum price of Pta45.6bn for the government's Retevisión equity and wants the company to deliver services before the end of the year.

The government expects France Télécom, Deutsche Telekom and Italy's telecoms holding company Stet to declare themselves candidates and that the eventual bidding groups will include Banco Central Hispano, Endesa, the government-controlled power group and Renfe, the national railway company, which has an extensive optic fibre network.

Telefónica is still protesting at the government's plans. Mr Juan Villalonga, its chairman, publicly scorns the idea of ending the monopoly by using Retevisión.

"Retevisión's assets don't amount to much," he says. "Anyone who wants to enter the Spanish market would do better to wait until December 1998 when the sector is completely deregulated. I said as much to the chairman of Deutsche Telekom.

"Villalonga wants the whole telecoms cake, but what is good for Telefónica is not necessarily good for Spain," says Mr Arias-Salgado. "His job is to lift share value, mine is to increase competition."

The clash between the minister and Telefónica's boss reflects the conflicts of interest that arise when privatisation is swiftly followed by deregulation.

The centre-right Popular party government, which appointed Mr Villalonga last summer shortly after it took office, sold the remaining 21 per cent it owned in Telefónica in February, raising $4.6bn, three times more than the receipts of any previous domestic privatisation.

For Mr Arias-Salgado the launch of Retevisión is part of a determined strategy to force down telephone charges that have remained high thanks to Telfónica's privileged position.

"All our trading partners have lower tariffs and some have considerably lower ones," he says. He is seeking a drop of up to 20 per cent in the cost of telephone calls.

At the end of 1998 the domestic market will be wholly deregulated along with the rest of the European Union market. Mr Arias-Salgado believes that unless a second national operator is up and running before then, new telecoms companies entering Spain will compete against each other only in niche, value-added businesses, leaving the bulk of the market to Telefónica.

"The rational way to introduce competition," he says, "is to encourage a second operator. Monopolies, like Telefónica, naturally prefer a brusque and rapid opening of the market because they can defend themselves better when the market is opened indiscriminately."

In order to sweeten the pill for Telefónica, Mr Arias-Salgado is prepared to increase the monthly subscription charge for telephone users and, in a first move towards rebalancing tariffs that are heavily weighted towards local calls, he will allow inner city charges to rise slightly.

But he is adamant that interconnection fees paid to Telefónica must be kept low to kick-start Retevisión with aggressive pricing possibilities. "I want to ensure the success of Retevisión and that means allowing it to compete."

Bar on 'dirty war' secrets lifted

By David White in Madrid

Spain's centre-right government is to release secret service documents on the "dirty war" waged under the previous Socialist administration against Basque militants.

The long-awaited decision, ending a two-year legal battle, means the documents can now be used as evidence in court cases investigating the covert counter-terrorist campaign, carried out across the French border between 1983 and 1987.

The government drew heavy criticism last August when it stood by the Socialists' position and refused to hand over the documents on security grounds.

Its stance reflected strong pressure from the defence establishment, worried about setting a precedent and losing the trust of Nato intelligence services.

However, Mr José Maria Aznar, prime minister, made clear the government was prepared to let the Supreme Court decide the issue. A new official secrets law is being prepared to avoid similar clashes in future.

After four days of deliberations, the court on Saturday ordered the release of most of the papers. They are sought by three judges investigating some of the roughly 25 murders attributed to the so-called Gal organisation. Their content – Spain's judicial system being notoriously leaky – has already been published in the national press.

How much they contribute to determining the level of political involvement in Gal is questionable. One note insinuates that Mr Felipe González, the former premier, might have known about a case of faked evidence. In another, an intelligence chief's handwritten annotation is construed by some as implying consultation with the prime minister over the imminent start of Gal's actions.

The Supreme Court voted last November against calling Mr González to answer allegations stemming from an inquiry into Gal's first kidnapping. But a series of related cases is expected to bring renewed accusations of top-level involvement.

The court ordered the declassification of 13 papers from the intelligence service, but accepted there were security reasons for not releasing three others, including one touching on suggested collaboration with criminal groups. The government denied the existence of four further items.

President Constantinescu says Romania is contributing to European security and is "serving as a pillar of stability in this region" AP

Romania leader seeks to bury old enmities

President Constantinescu tells Anatol Lieven about his ambitions for his country

Foreigners will be allowed to own land in Romania from this week, according to a new law forming part of a range of radical reforms, including measures to encourage foreign investment, initiated by the coalition which took power after elections last November.

The country's president, Mr Emil Constantinescu, says the significance of this step is much more than just economic. It marks a continuation of an "historic solving of inter-ethnic conflict, involving the confidence of the national minorities in the state and the creation of a new ecumenical spirit among all Romanians," he told the Financial Times.

Nationalist politicians had opposed the law, arguing that companies from Hungary, Romania's traditional rival, would use the right to own land in order to strengthen the position of the Hungarian minority in Romania.

Mr Constantinescu, who became chancellor of Bucharest University after the 1989 revolution, has long fought to promote ethnic harmony. But he also hopes this move will have a positive impact on western governments in the run-up to the Nato summit in Madrid in July. Romania is passionately anxious to be invited to join in the first round of new members of Nato, along with Hungary, Poland and the Czech Republic.

Recent opinion polls have shown more than 90 per cent of the population is in favour of joining Nato, which is also seen as an essential stepping stone on the way to the European Union.

Privately, many government officials acknowledge that their chances are slim. But Romanians like to think of themselves as an island of western and Latin civilisation in eastern Europe, and there is concern that perceived rejection by the west in Nato will be felt as a severe cultural and psychological blow, even if, as last week's US-Russian summit has made clear, the door to future membership will stay open.

Rapprochement with Hungary, and moves to a solution of border disputes with neighbouring Ukraine, are important in this context because, according to President Constantinescu, they demonstrate that Romanians are capable of "transcending centuries of dramatic and bloody conflict" with Hungarians.

Rather than requiring security from Nato, he argues, Romania is itself contributing to European security and is "serving as a pillar of stability in this region". In the president's rather bitter words: "It is obvious to us that Nato will not take in countries that need security, only those which bring it."

It is also obvious that Romania's inclusion among the new Nato members would be a significant domestic political boost for Mr Constantinescu's administration and would help it keep public support in the face of increased hardships resulting from his reforms.

He may not have much time: the consensus of western investment bankers and other observers is that the new administration has to put reforms on a really solid footing and achieve some visible results by the end of this year. Otherwise, growing poverty, splits in the coalition, and an opposition counter-attack could combine to sweep them away.

Mr Constantinescu said that his administration, with International Monetary Fund advice, had planned price liberalisation in such a way that inflation should peak at around 100 per cent in July – when the hot weather will mean that population is less affected by the need to buy fuel and vegetables are cheaper. He believes it should then decline to around 30 per cent at the end of the year.

Nearly two-thirds of businesses believe the single currency will be introduced in 1999

Germany's confidence in Emu grows

By Ralph Atkins in Bonn

German businesses have become significantly more confident in the past 16 months that a European single currency will start on time in January 1999. But fewer than a quarter have begun preparations for its introduction, according to a study today.

A survey of 25,000 companies by the German chambers of industry and commerce (DIHT) showed 65 per cent believe it "probable" that the last stage of European economic and monetary union will begin in 1999. That compared with 24 per cent in autumn 1995.

The DIHT said businesses were "taking increasingly seriously" the determination of politicians to meet the timetable for the new Euro currency.

The results come despite uncertainty whether the German government will, despite strenuous efforts, meet this year the criteria set in the Maastricht treaty for the public sector deficits of European Union members participating in Emu.

However, the survey showed only 21 per cent of businesses said they had begun preparations connected with the euro's introduction – a result the DIHT describes as "astonishing" given the widespread expectation that Emu would start on time. One reason might be that, with uncertainty remaining, companies are worried about making unnecessary investment.

The DIHT warns that the "calmness" of businesses could hold risks for the economy and individual enterprises. Small businesses employing less than 20 people are particularly badly prepared, it notes. Credit institutes and banks are best set. The survey shows 50 per cent of businesses believe that launching the single currency in January 1999 is "desirable" – up from 36 per cent in autumn 1995.

Support for currency stability was likely to have been boosted by the turbulence on world markets in 1995, which contributed to a economic growth pause in the following year. However many businesses feared a "soft" currency compared with the D-Mark, or that emu would intensify international competition.

Scepticism was greatest in the building industry where only 34 per cent believed a single currency in 1999 was desirable and 48 per cent believed it was "undesirable".

In the banking sector, more than 90 per cent of credit institutes believed the January 1999 start date was "probable" and more than 80 per cent believed it desirable.

Overall, the proportion of businesses describing the introduction of Emu in January 1999 as both probable and desirable had risen from 9 per cent in autumn 1995 to 39 per cent in the latest survey.

Mr Theo Waigel, Bonn finance minister, yesterday provoked union hostility after warning of possible further cuts in social spending to help Germany meet the Maastricht criteria for economic and monetary union, Peter Norman reports from Bonn.

Mr Roland Issen, leader of the white collar workers' union DAG, said German trade unionists would only accept the single currency "provided they did not have to pay the entry fee to the euro-club through still higher unemployment or new social welfare cuts". Mr Issen was responding to an interview published in today's issue of Der Spiegel, the news magazine, in which Mr Waigel (pictured left) warned that he would take additional steps if necessary for Germany to meet the criterion of 3 per cent of gross domestic product for its public deficit this year. The minister singled out income support as the first priority in any list of economies.

Mr Waigel said he would prefer not to raise taxes to meet the criteria, although he did not rule this out. He reaffirmed his support for a strict interpretation of the criteria and dismissed discussion of a possible delay to the planned start of the single currency on January 1 1999 as damaging.

In this, Mr Waigel received strong support from Chancellor Helmut Kohl. "There can be no question of a delay," the chancellor told Welt am Sonntag, the Sunday newspaper. "The question is not whether Emu is coming, but what we can and must do to make it begin on time."

US and EU set to resume Cuba talks

By Nancy Dunne in Washington and Guy de Jonquières in London

Talks between the US and the European Union resume in Brussels today, aimed at averting a damaging confrontation in the World Trade Organisation over US legislation designed to penalise foreigners who invest in property in Cuba once owned by American citizens.

The talks, between Mr Stuart Eizenstat, US undersecretary of commerce for international trade and Sir Leon Brittan, EU trade commissioner, will seek a settlement of the transatlantic row over the US Helms-Burton law. Many of the US's trading partners, particularly Canada, Mexico and the EU, have attacked it on the grounds that it attempts to impose US law extra-territorially.

The EU is challenging the law in the WTO, which has set up a disputes panel to decide whether it violates world trade rules. But the US is refusing to co-operate with the panel and has threatened to ignore an eventual ruling – a step which could undermine the authority of the WTO's disputes settlement procedures.

The US says the Helms-Burton law is exempt from WTO rules because it is a national security and foreign policy issue, not a trade matter.

Several congressmen last week urged the US to withdraw from the WTO if the panel ruled against its right to use sanctions in pursuit of foreign policy.

The EU is pressing the US to go beyond President Bill Clinton's promise to continue waiving Title III of the law – which authorises private US court cases against foreign companies "trafficking" in Cuban assets – provided European governments keep pressure on Cuba to move towards democracy. The EU accepts there is little more the president can do to water down this part of the law. Brussels believes it is unlikely ever to take effect, if only because it could unleash a deluge of private court cases which would overwhelm the US court system.

The search for compromise is now focusing on Title IV of the law, which requires the US to deny visas to executives, directors and big shareholders – and their families – of companies found to be using expropriated Cuban property once owned by Americans.

Both sides accept that the president's flexibility to waive this provision is limited. The EU is nonetheless urging the US to issue interpretive guidelines which would in practice exempt European companies from the provision.

Officials of only two companies, Sherritt International of Canada and Grupo Domos of Mexico, have been subjected to the provision so far. The US recently warned Stet, the Italian telecommunications company, that its executives also risked losing their visas, though a US official said Stet had not yet met the "fairly exacting standards" set by the provision.

EU officials said application of the law to Stet could undermine chances of a settlement with the US and warned that it would be difficult to conclude a deal until the Italian company's situation was clarified.

The EU also wants European companies protected from the US D'Amato act, which penalises investors in the energy industries of Iran and Libya.

Talks are focusing on the possibility of President Clinton granting them a multilateral waiver on the grounds that Europe had taken serious steps to halt arms proliferation and terrorism.

Belarus pro-democracy protests turn to violence

By Matthew Kaminski in Moscow

A pro-democracy demonstration in Belarus yesterday became violent as protesters kept up pressure on President Alexander Lukashenko.

An estimated 10,000 people marched through Minsk, the capital, carrying nationalist flags and slogans denouncing Mr Lukashenko's authoritarian policies, before violent incidents broke out and police moved in with truncheons.

A small nationalist constituency in Belarus, a Slavic country of 10.7m people wedged between Russia and Poland, has been agitating for more civic and human rights after Mr Lukashenko in November put in a puppet legislature and won sweeping powers in a widely criticised referendum.

The former collective farm boss, who won democratic elections in 1994, has ignored international rebukes, extending his term in office and limiting free speech.

Mr Lukashenko has also pushed for closer ties – possibly reunion – with Russia, a popular policy in a provincial and isolated nation. His Kremlin counterpart, Mr Boris Yeltsin, said earlier this month that reunion was possible.

A series of demonstrations have been held in Minsk recently despite new restrictions on popular rallies, indicating the nationalist wing has not given up. But the groups cannot claim a broad popular mandate.

A leader of the Belarus Popular Front, the party which organises the rallies, was arrested this month, along with several other activists. The head of BNF last year got political asylum in the US.

Mr Peter Byrne, head of the Soros Foundation in Belarus, one of the financier George Soros' philanthropic ventures in eastern Europe, last week was not allowed back into the country. The authorities said the foundation supported the opposition.

● A flotilla of Nato warships arrived in Ukraine yesterday for a friendly visit, AP reports from Odessa.

Seven ships from the Standing Naval Force Mediterranean docked at the Black Sea port of Odessa, where they were met by the flagship of the Ukrainian Navy.

Greek opposition opts for young Karamanlis

By Kerin Hope in Athens

Greece's opposition conservative party, New Democracy, rejected three experienced candidates and chose a 40-year-old backbencher from a renowned political dynasty as its new leader at a congress held over the weekend.

Mr Costas Karamanlis, a deputy for the northern city of Thessaloniki, won 69 per cent of delegates' votes in a ballot on Friday night. He defeated Mr Giorgios Souflias, a former economy minister backed by the party's reformist wing.

Mr Karamanlis has never held a government post and keeps a low profile in parliament. But he has the same name as his uncle Constantine, Greece's most successful post-war politician, who founded New Democracy and served for more than 20 years as prime minister and then president.

The choice of a young, untested politician as leader reflects a mood of desperation in New Democracy following months of bitter infighting triggered by an election defeat last October. The conservatives have won only one election in 15 years.

The October defeat was seen as disastrous for the conservatives because Greece's business community for the first time backed the governing Panhellenic Socialist Movement as the party more likely to reduce inflation and create a stable investment climate.

Moderate conservatives felt uncomfortable with New Democracy's transformation under Mr Miltiades Evert, the outgoing leader, into a rightwing populist party promoting a strong state role in the economy and a nationalist foreign policy.

Mr Karamanlis was put forward as a candidate for leader by one of Mr Evert's lieutenants and captured votes from his supporters in the run-off ballot. He pledged to reunite New Democracy in his acceptance speech.

The youngest ever leader of a mainstream Greek party will find it difficult to live up to his uncle's achievements, which included restoring democracy in 1974 after the collapse of the colonels' dictatorship and and securing Greek membership of the then-European Community in 1981.

Mexico pressed on election-monitoring

By Leslie Crawford in Mexico City

The Mexican foreign ministry has become embroiled in a row over its attempts to block the donation of European Union funds to independent election-monitoring groups in Mexico.

Mr José Angel Gurría, foreign minister, is understood to have put pressure on Brussels to withdraw a $400,000 grant for the Mexican Academy of Human Rights, a group of academics, lawyers and activists who want to monitor elections in July that will include the renewal of Congress and the first election for a mayor for Mexico City.

The academy's protests to the foreign minister, led by Mr Oscar González César, a former ambassador to the United Nations, have gone unanswered. Several European MPs are pressing the European Commission to explain the sudden cancellation of the grant. In Mexico, the Federal Electoral Institute (IFE), in charge of organising elections, has written to Mr Gurría expressing concern.

A foreign ministry spokesman refused to comment on the issue.

"We are very worried about the foreign ministry's opposition to the external funding of monitoring groups," Mr Emilio Zebadúa, one of the seven IFE counsellors who wrote to Mr Gurría, said yesterday. "It is perfectly legal for these groups to seek foreign aid, and it is in our interests to encourage the fullest participation of independent observers to guarantee that the elections will be clean and fair. We are concerned that the stance adopted by the foreign ministry is political in nature. It sets a dangerous precedent," said Mr Zebadúa.

Mr González César, president of the Mexican Academy of Human Rights, said the EU had approved the $400,000 grant in December. "This was to be our second project with the EU," he explained. "The funds would have enabled us to supervise the campaign expenditures of political parties during the elections."

He said the Mexican government had made considerable efforts to eliminate fraud at the ballot box but controversy remained over the use of undeclared funds by the ruling Institutional Revolutionary Party (PRI) to secure election victories. "Mexicans have a bitter experience with regard to the government's use of secret funds to maintain power. It has cast a dark shadow over the legitimacy of electoral processes."

Hollywood spends 20% more on advertising

By Christopher Parkes in Los Angeles

Hollywood spent the equivalent of 30 per cent of domestic box office revenues on promoting its films in the US last year.

The 20 per cent surge in advertising spending to $1.68bn was the most spectacular peak reached in a year when the industry broke all domestic records. Admissions rose 6 per cent to 1.34bn and ticket revenues increased almost 8 per cent to $5.9bn. But the sharpest rises were recorded in costs as production spending per film rose 9.5 per cent to an average $40m, according to the Motion Picture Association of America.

Actors' pay increased 12 per cent, the Screen Actors Guild said at the weekend. While pay for television work was 10 per cent higher, income from film roles jumped by more than 20 per cent.

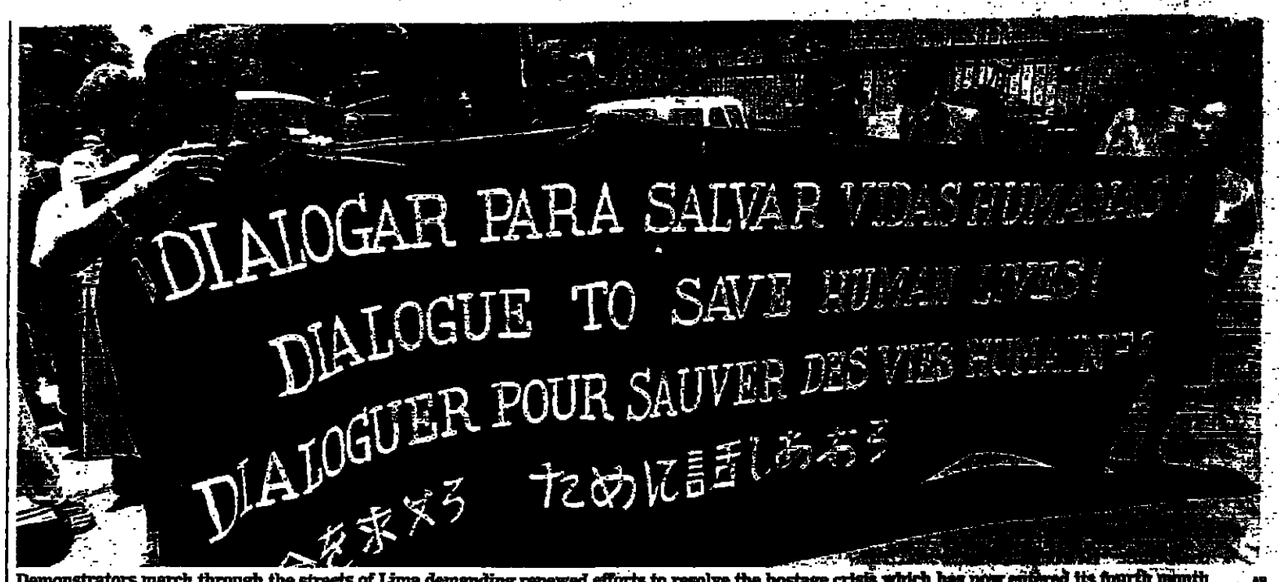
Competition between cinema chains kept the price of the average ticket at $4.40, a 1.5 per cent increase well below the general rate of inflation.

According to the Competitive Media Reporting monitoring service, Walt Disney was the top spender on advertising, with a total bill of more than $450m divided between its Buena Vista and Miramax subsidiaries. Other leading promoters included 20th Century Fox, the News Corporation subsidiary, which equalled the $12m average outlay per film of Disney's Buena Vista division. The Competitive Media figures, which exclude other promotional efforts such as trailers, events and giveaways, showed more than a third of studio advertising budgets were spent on television commercials.

Last year's 35 per cent increase in billings in this sector was sparked by a months-long promotion for Fox's Independence Day, which grossed more than $300m in the US. However, TV is an increasingly important means for studios to reach people who may not go to the cinema, but who buy or rent video versions of films and spend money on the consumer products increasingly associated with hit movies.

Heavy domestic promotion is also considered a vital element in global marketing plans on the principle that a film which fails to make a splash in the US is unlikely to prosper abroad.

Although the Motion Picture Association of America, the industry's main lobby group, does not monitor foreign box office sales, it estimates they are now approximately equal to domestic revenues.



Demonstrators march through the streets of Lima demanding renewed efforts to resolve the hostage crisis which has now entered its fourth month AP

Captive audience for hostage experts

Sally Bowen on an attempt by those involved in the 1980 Bogotá siege to shed light on the Lima crisis

Two men in a bear-hug embrace is not an unusual sight in Latin America. But when an ex-guerrilla commander and his former hostage meet after 17 years it is a rare moment.

Mr Rosemberg Pabón led the M-19 Colombian guerrilla attack on the Dominican Republic embassy in Bogotá in February 1980: the 61-day hostage-taking siege was a record in Latin America until the current hostage crisis in Peru, now in its fourth month. Mr Geraldo do Nascimento e Silva, an expert in international law, was one of 15 ambassadors held for two months by Mr Pabón.

Their bizarre display of camaraderie occurred during a seminar organised last week in Lima by a local university and a domestic television channel.

Criticised by some politicians inside Peru, the seminar's objective was to throw light on the situation inside the Japanese ambassador's residence on the other side of town, where Tupac Amaru Revolutionary Movement (MRTA) guerrillas hold 72 captives.

Former hostage and hostage-taker bore no ill-will. Rather, their message was that the two-month Bogotá siege was fruitful. Mr Nascimento e Silva, then Brazilian ambassador to Colombia, said he was "far from angry or resentful" at having been held captive.

"On the contrary, it was the most positive thing that has happened to me on a personal level. I learned a lot about myself," he said.

Refuting the so-called Stockholm syndrome – which posits that captives come to admire and identify with their captors – Mr Nascimento e Silva said: "I started and ended a right-wing reactionary, Pabón an ultra-leftist. But I realised that they were right about many things, and they learned from us too."

Although the Bogotá incident ended peacefully with no release of M-19 prisoners or formal ransom payment, Mr Pabón claims it "caused Colombians to reflect profoundly, to see that there were serious defects in the pretty democratic picture which they were being sold". In 1991, a Colombian constituent assembly de-criminalised the guerrillas so that they could stand for election. "It took us 11 years, but you construct peace by constant dialogue and negotiation," he said.

Negotiation has been scarce in the Peruvian crisis. In his first public statement four days after the December 17 MRTA storming of the Japanese ambassador's residence, Peru's President Alberto Fujimori vowed he would never negotiate with an armed group which employed terror tactics. World leaders applauded his tough stance. It seems not to have altered. Last week Mr Fujimori denied Japanese newspaper reports that he might be considering the release of selected MRTA prisoners. "There will be no freedom, not even for one prisoner," he said.

There are several parallels between the Bogotá and Lima incidents. Both served to give international prominence to a largely ignored local guerrilla group; both groups stormed embassy residences during diplomatic receptions, bagging prominent guests as hostages; and both called for the release of jailed colleagues. For the Colombian and Peruvian governments, Cuba appeared to be the best option for the "safe haven" solution.

But there are also significant differences. In the Bogotá siege, the then president of Colombia, Mr Julio Cesar Turbay, kept his distance, using foreign ministry officials to negotiate with guerrillas "so as not to give the guerrillas status... so as not to magnify the spectacle," as he explained later. Communication in Bogotá got under way almost immediately. In Lima, Mr Fujimori has played a prominent role, the government chose a minister as "interlocutor" and eight weeks passed before official talks began. By this time, positions were entrenched.

Since the breakdown of preliminary conversations two weeks ago (when it was revealed that Peruvian security forces were digging a tunnel to the residence), the burden of negotiation has fallen upon the so-called guarantors. Obliged to assume the role of mediators, Mr Anthony Vincent, the Canadian ambassador, and Peru's Archbishop Juan Luis Cipriani are now talking to both sides separately.

Meanwhile, pressure from Japan to accelerate negotiations is increasing. This week's visit by Mr Masahiko Komura, deputy foreign minister, to Lima, Cuba and the Dominican Republic (for talks on asylum offers) underlines the domestic political importance of the Lima hostage-taking. Japanese officials in Lima say Mr Ryutaro Hashimoto's government could fall if the crisis is not satisfactorily resolved.

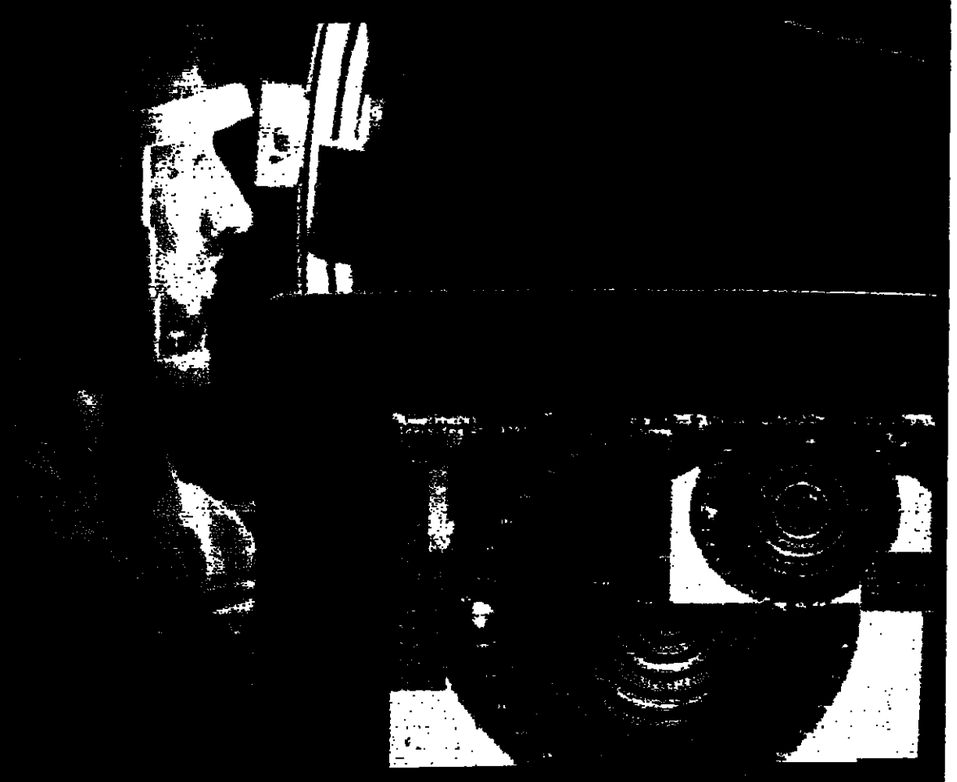
The most likely solution seems to hinge on improvement in Peruvian prison conditions. This was stressed by Ms Otilia Campos de Polay, mother of the MRTA's founder leader Mr Victor Polay and in the audience at this week's seminar.

Mr Polay is serving a life sentence for terrorism in the high-security jail at the Callao naval base outside Lima. His cell is in the same purpose-built facility as that of Mr Abimael Guzman, founder of the notorious Sendero Luminoso, or Shining Path, Maoist guerrilla group. Ms Campos called the dark, 2m sq cell "a tomb", and the tough regime "sadistic and inhuman".

A smartly dressed, well educated 69-year-old from a family brought up in the Latin American tradition of leftist struggle, Ms Campos insisted her son "never used unnecessary force". She accepted resignedly that Mr Fujimori would not free him. "All now depends on the negotiating skills of [hostage-taker] Nestor Cerpa," she said.

"If he can negotiate for more humane conditions in line with the international treaties Peru has signed, he will have achieved a lot."

Who's bringing
state-of-the-art
vision care
to countries
around the
world?



new skills in the science of life™

NOVARTIS

The world's leading Life Sciences company.
Formed by the merger of Ciba and Sandoz.


Healthcare


Agribusiness


Nutrition

To find out more about Novartis and our new skills, visit our website at www.novartis.com

Mobutu appears in public

By Michela Wrong in Nairobi

Determined to scotch rumours that his advancing prostate cancer had killed him, Zaire's President Mobutu Sese Seko yesterday appeared in public for the first time since returning home from France last week. But his one-minute speech and exhausted appearance did little to allay the growing sense of panic in Kinshasa, the capital, where foreign nationals are preparing to be evacuated by US, French and Belgian paratroopers.

"I have returned not to devote myself to Mobutu's interests nor to Mobutu's fortune...but to the higher interests of Zaire, that is to say our unity and our territorial integrity," Mr Mobutu told journalists at the military Camp Tshatshi before talks with Mr Thabo Mbeki, South Africa's deputy president.

Looking tired and thin, the 66-year-old president gave no hint as to what approach he intended to discuss with Mr Mbeki, who is leading South African efforts to sponsor a peace deal between the regime and rebels now in control of nearly a third of Zaire.

Mr Mbeki's trip to Kinshasa comes as western powers step up pressure on both sides in the war to negotiate. The hope was that having won control of Kisangani, Zaire's third largest city, the rebels could be persuaded to halt their advance rather than overstretch their supply lines.

But such hopes seemed futile on Saturday when Mr Laurent Kabila, leader of the Alliance of Democratic Forces for the Liberation of Congo-Zaire (ADFL), rejected Mr Mobutu's call for a truce and the establishment of a national council to find a way out of the crisis.

Addressing a 5,000-strong rally in Kisangani he told Mr Mohamed Sahnoun, the visiting United Nations envoy, negotiations would have to precede a ceasefire, not the other way round.

"Gunfire is the only language Mobutu understands," he said.

The rebels now claim to be 200 km (125 miles) from Zaire's second city Lubumbashi and 100 km from the diamond capital of Mbuji-Mayi. As they extend their advance, a military coup by generals exasperated by both Mr Mobutu and his prime minister, Mr Kengo Wa Dondo, is increasingly likely.

Preparations by the US, France and Belgium to evacuate their nationals yesterday highlighted the fact that foreign governments now regard a breakdown in law and order – whether in the form of a coup or an outbreak of army looting – as imminent.

Action on TB would bring big economic returns, says WHO

By Clive Cookson, Science Editor

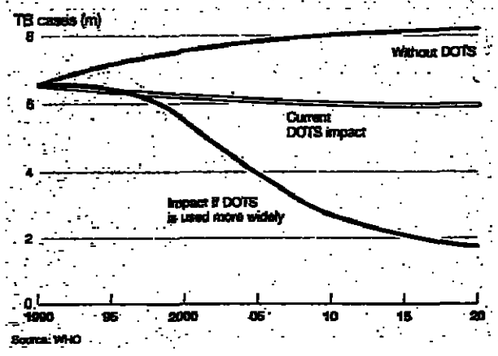
Effective tuberculosis control programmes would bring huge economic returns as well as health and social benefits, according to a report released by the World Health Organisation today, World TB day.

Tuberculosis kills an estimated 3m people a year – more than any other infectious illness.

The first detailed economic study of TB treatment has been carried out for WHO in India, where about 30 per cent of the world's tuberculosis cases occur. It shows that, if the Indian government spent $200m a year on an effective control programme, the tangible benefits to the economy would be worth at least $750m a year – and might be much greater.

Comparable benefits for the world as a whole would run to billions of dollars a year and could exceed $20bn a year, says Dr Joel Almeida, medical officer at the WHO global TB programme, who carried out the Indian study with Professor Ravindra Dholakia and colleagues at the Indian Institute of Management, Ahmedabad.

TB worldwide: DOTS can turn the tide



A similar study, soon to be published for Thailand, will show a larger benefit per patient there than in India because average income is higher, Dr Almeida says. The same would apply to other rapidly industrialising Asian countries such as China and Indonesia, which account between them for over 40 per cent of the world's TB.

WHO's recommended control strategy is DOTS (directly observed treatment short-course). This requires each patient to take a combined dose of four powerful antibiotics every day (or on alternate days) for six to eight months.

The main feature of DOTS is that a health worker observes the patient swallowing every dose and monitors his or her progress until the disease is cured.

This strict supervision is a striking contrast to what happens today in India and many other developing countries: doctors prescribe antibiotics in a haphazard way and they make little effort to ensure that the patients take the whole course. As a result, people stop taking the drugs when they feel better but before the TB bacillus has been eliminated from their body.

Then, after a while, the disease returns – sometimes in a drug-resistant form more difficult to treat.

At present DOTS is used for no more than 10 per cent of the world's TB patients, although the latest WHO statistics show that it is far more effective than other approaches.

It typically achieves cure rates of 80 to 90 per cent, compared with about 40 per cent for unsupervised treatment.

Indeed Dr Arata Kochi, director of the WHO global TB programme, says there is clear evidence even 10 per cent use of DOTS has led to a levelling off of the worldwide TB epidemic after decades of growth. "We now know that if we use DOTS more widely, we can send the epidemic into decline and can save many millions of lives in the next 10 years," he says.

The WHO's target is to raise the DOTS treatment rate from one in 10 to seven in 10 patients worldwide. That could halve the number total of new TB cases, Dr Kochi says.

The world's governments and aid agencies would need to spend an additional $500m a year to achieve a 70 per cent DOTS treatment rate, says Dr Almeida – an insignificant amount compared with the projected economic gains from having millions of people working healthily instead of sickening or dying from TB. The Indian study shows economic benefits would justify spending as much as $750m a year on TB control in India, assuming a "discount rate" as high as 16 per cent.

Campaign row muddies Gore trip

Patti Waldmeir and **Tony Walker** on complications for US-China relations

If China announces a billion-dollar aircraft contract with Boeing this week, as expected, Vice-President Al Gore wants to be there for the signing ceremony.

So say the officials with him on his visit to China: The vice-president will be glad to show his face at any event which proves the worth of economic engagement with China.

The fact that the US officials were forced to make such an apparently self-evident protestation – that Mr Gore would jump at the chance to claim political credit for US export jobs – captures the essence of current difficulties over US-China relations.

The Boeing deal, which is all but sealed, is important because it marks renewed Chinese willingness to buy from the American company, after Boeing lost out to European companies in two other recent Chinese deals. But in the climate of accusation which reigns in Washington, where the US Justice Department is investigating claims that Chinese officials tried to influence the last US election, any such deal could be portrayed as a pay-off.

Every gesture toward China, every halting step in the process of what the State Department calls "comprehensive engagement", will henceforth be scrutinised for links to campaign donations.

The White House has felt that scrutiny intensely ahead of the vice-president's trip, which will focus on China (but includes Japan and South Korea too). US newspapers reported last week that Mr Gore might distance himself from any Boeing connection while in China, quoting White House officials who leaked a story saying the vice-president was concerned at the political consequences. His staff say the reports are ill-informed.

US TRADE WITH CHINA ($bn)

	Exports*	Imports*	Deficit*	Commerce Dept deficit**
1991	7.3	16.2	8.4	12.7
1992	9.6	21.5	11.9	18.2
1993	11.7	25.9	14.2	22.8
1994	12.8	32.5	19.7	29.5
1995	15.9	39.0	23.1	34.0

*Figures adjusted to take account of the high proportion of Chinese trade which flows through Hong Kong, but excluding value added there.
**Excludes trade via Hong Kong
Source: Institute for International Economics and Brookings Institution

Whatever the truth, the political facts are clear: the campaign fund-raising furore, with its strong Asian connection, will complicate one of America's most important bilateral relationships – at least in the short term.

And it makes a delicate trip to Beijing all the more difficult for Mr Gore, the highest ranking US official to visit China since the 1989 Tiananmen Square massacre, and since the death last month of Deng Xiaoping.

US officials say their biggest short-term problem is that the US funding row has exacerbated Chinese suspicions of US intentions. "The Chinese still worry that our attitude is one of hostility," says one official. "They seem to feel that there's a conspiracy against them, and that government officials are leaking stories against them."

> 'The Chinese worry that our attitude is one of hostility. They feel there's a conspiracy' – US official

In Beijing, there is rising irritation over what is seen as an hysterical campaign against China in the US media and in Congress, where legislation was introduced last week to require Congress to approve China's accession to the World Trade Organisation (WTO).

Chinese official commentaries on the eve of the Gore visit reflected the prevailing tension. The People's Daily, the Communist party newspaper, railed against Congress over a resolution calling on Beijing to honour its commitments to Hong Kong, saying this smacked of containment. "This once again reveals the ugly mentality of some members of the US Congress who want to lord it over the world," the paper said.

The official Xinhua news agency criticised the American media for its reporting of the fundraising issue. "Acting like someone who chases the wind and clutches at shadows, some American media took the chance to create sensation news without any fact in a vilification campaign against China," said Xinhua.

Relations with the US are further complicated by a dramatic rise in the bilateral trade deficit, which is a potent issue in Congress. According to US figures, the deficit was $40bn last year and in January it rose to $3.72bn compared with $2.74bn in January 1996. China rejects the figures, saying the deficit last year was closer to $10bn.

Sensitive to the political implications of these figures, a senior Chinese trade official said the government was encouraging companies to increase imports of US products. "The trade issue has become such a general concern to the American people from all walks of life that failure to handle the issue properly could hold up the normal development of economic and trade relations between the two countries," said Mr Sun Zhenyu, vice-minister of foreign trade.

Administration officials say Mr Gore – who will make environmental concerns a big focus of his visit – cannot avoid discussing trade and economic matters in his attempts to pave the way for a summit between President Bill Clinton and President Jiang Zemin. But any concessions on WTO accession could raise allegations of a pay-off.

Administration officials insist that the fundraising furore did not affect the vice-president's trip. "We're not modifying anything we're doing because of what's going on around town," says one official, obviously exasperated by unprecedented adverse publicity.

But the time is approaching when the rumpus affects not only politics, but policy as well. Inevitably, the US must be cautious in appearing conciliatory to Beijing, whether on WTO accession or any of the other big issues this year – including most favoured nation trading status, and even more crucially, the future of Hong Kong. The fund-raising issue is a complication which could rapidly become a serious constraint on US policy.

Additional reporting by William Dawkins in Tokyo and Leyla Boulton in Washington

Gulf between 'haves' and 'have-nots' of developing world as 12 countries receive 73% of funds

Inflow of private capital to emerging nations hits record

By Leyla Boulton in Washington

Record levels of private capital flowed to developing countries last year, driven by "good" macroeconomic policies, infrastructure privatisation and investors' thirst for higher yields, according to a World Bank report* published yesterday.

But that good news was undermined by the Bank's warning that official development aid continues to shrink at a time of big disparities between countries' access to private capital.

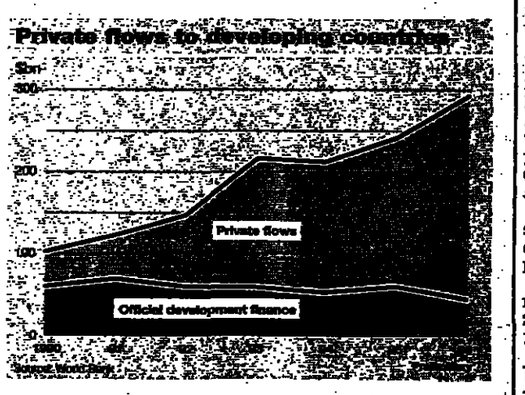
For example, foreign direct investment, which increased by $14bn last year to $110bn – a fourfold increase since 1990 – ranged from 6.5 per cent of gross national product in Malaysia and Vietnam to 0.5 per cent in the Middle East and North Africa.

Despite a a $60bn increase to $243.8bn last year in private capital flows to developing countries – up from $44.4bn in 1990 – 73 per cent of the money went to 12 countries. This was nonetheless an improvement on 1990, when 84 per cent of the money went to a dozen countries, including China, whose share of private capital flows had since risen from $8bn to $52bn.

In contrast, grants and official low-interest credits, which account for the bulk of foreign aid, fell by an estimated $1bn to $44bn last year, representing a 3 per cent drop in real terms from 1990 levels. Mr Joseph Stiglitz, the Bank's chief economist, said markets were becoming "more discriminating. . . in favour of good policies" pursued by more and more countries to control inflation and budget deficits, liberalise domestic markets and privatise infrastructure such as telecommunications and energy.

Mr Himmat Kalsi, a financial analyst at the Bank, added that western portfolio investors were not only "more risk tolerant" and international capital markets more liquid. Emerging country debt offered higher yields and longer maturities than on US securities, while debt rescheduling was increasing borrowers' access to private capital markets.

Mr Kalsi noted that 31 extra countries had gained new access to international bond and equity markets in the past two years alone.



Mr Stiglitz, who until recently worked in the White House, added that he did not believe that any US move to increase interest rates would be enough "significantly" to affect private capital flows to emerging markets. He expressed "serious concern" however about a stagnation in official aid flows. These have suffered further as the proportion of aid devoted to emergencies such as refugee relief, as opposed to long-term development and poverty alleviation, has increased to 12 per cent from two per cent of the total in 1990.

Mr Stiglitz conceded another contributing factor to a growing gulf between "haves and have nots" within the developing world was the inability of some countries to get their good news across to investors. Some African countries which had pursued the right macroeconomic policies for years had not received a significant share of foreign investment and loans.

Partly for this reason, he rejected suggestions that as the role of private capital increased, the Bank's own role was at risk. He added that even countries able to tap private markets still turned to it for policy-making expertise and its ability to offer "an honest broker view of what is going on". But the increase in private funding would also allow the Bank, which is undergoing its own restructuring, to focus increasingly on playing a "complementary" role to the private sector, devoting more of its resources to improving education, health and environment.

** Global Development Finance (formerly World Debt Tables), The World Bank PO Box 7247-8619, Philadelphia PA 19170-8619, USA tel (703) 661-1580 fax (703) 661-1501*

LEGAL NOTICES

INTERNATIONAL NEWS DIGEST

Airport sell-off for Düsseldorf

The government of North Rhine-Westphalia is planning to sell to the private sector its 50 per cent share in Düsseldorf airport, which was badly destroyed by fire in April last year. More than 10 companies are understood to have expressed interest in rebuilding and expanding the international airport which, prior to the fire, ranked number two in Germany behind Frankfurt. They include Hochtief, the construction company. An estimated Dm3bn ($1.1bn) investment would be needed under a planned upgrade that would increase passenger numbers from 15m a year to 22m as well as modernising buildings and security.

Details of terms being sought by the state government have not been disclosed but the fire – which killed 15 – has substantially reduced the sale price. Poisonous fumes swept through the airport after welding sparks started a fire that burnt plastic cable insulation. Flughafen Düsseldof is jointly owned by North Rhine-Westphalia and the Düsseldorf city authority. *Edgar Alder, Bonn*

Toblerone chocolate recall

Some 500 tonnes of Toblerone, Switzerland's best known chocolate bar, are being recalled after a routine check revealed the presence of illegal genetically altered soybeans. Kraft-Jacobs-Suchard, part of Philip Morris, the US food giant, said it had been assured by its German supplier that the lecithin it used in manufacturing Toblerone was free of genetically altered soybeans. However, government food inspectors in Berne found traces of genetically altered soyabeans in a routine check of the company's plant in Berne.

The decision to recall Switzerland's most famous chocolate bar underlines the growing problems facing Switzerland's food industry as it tries to balance consumer concerns about genetically altered soyabeans with the practicalities of finding a reliable source of non-genetically engineered soyabeans.

Last December Switzerland agreed to permit imports of genetically altered beans. However, the decision was later postponed after complaints from consumer groups and opponents of genetic engineering. *William Hall, Zurich*

Cuba-US diplomatic spat

Cuba traded accusations with the US government at the weekend over a US diplomatic bag to Havana which Washington said was opened by Cuban officials. The US State Department said on Friday its diplomatic pouches to Havana were being interfered with and one was actually opened. The US had protested to Cuba over what it called this "blatant violation of international diplomatic law".

Cuba's foreign ministry, rejecting the US charges, said on Saturday the US diplomatic pouch in question had arrived in Havana already open on a foreign airline last month. But it added the pouch was found to contain pocket editions of a US government document called "Support for a Democratic Transition in Cuba".

This document, issued by US President Bill Clinton in January, forms part of the one-year-old US Helms-Burton law, which specifically demands Cuba abandon one-party communist rule and embrace multi-party democracy.

The Cuban foreign Ministry said that the US Interests Section in Cuba was clearly intending to distribute the document, which Havana viewed as "offensive". The Cuban ministry said this was a violation of international diplomatic regulations. *Pascal Fletcher, Havana*

Yasin eyes new post

Mr Yevgeny Yasin (left), the liberal former economics minister, is expected to be appointed tomorrow as Russia's minister for strategic development of the economy, according to observers close to the government. Mr Yasin, a market economist who has long acted as a mentor to Mr Anatoly Chubais, the new first deputy prime minister, will play an advisory role in the government, analysing economic trends and setting out long-term strategy. In London yesterday to open a Foreign Investment Promotion Centre, Mr Yasin said long-awaited restructuring of the powerful Unified Energy Systems, the national electricity company, which will detach the national power grid from electricity producers, will start this year and will take up to two years to complete.

Mr Yasin wants the electricity monopoly to be divided into a state-owned regulatory company to which will oversee transmission of electricity and several power generating companies. The majority of power generators will be privatised. *Arkady Ostrovsky*

Brazil to cut budget

Brazil is planning sharp cuts in its budget for 1997. Mr Antônio Kandir, planning minister, said the government would cut R$3.1bn from planned expenditure, producing a primary budget surplus, which excludes interest costs, of 0.8 per cent of gross domestic product. The public sector as a whole would post a 1.5 per cent surplus.

The government's reforms have cut inflation to single-digits, but cutting public spending - which economists view as central to keeping inflation low - have proved harder to achieve.

Public spending plans received a further blow last month when the country's highest court voted to award a 29 per cent pay rise, which was given to the military in 1993, to all federal civil servants. *Geoff Dyer, São Paulo*

Indonesia gold mine row

The senior geologist at Canadian exploration company Bre-X Minerals has dismissed as ludicrous doubts about the size and commercial viability of what is claimed to be the world's largest gold deposit.

Mr John Felderhof, the senior vice-president for exploration who shares credit for the discovery of the Busang deposit in the Indonesian province of east Kalimantan, reacted angrily to reports in an Indonesian newspaper, Harian Ekonomi Neraca, which said that Busang's reserves could be below the 71m proven ounces estimated by Bre-X.

Mr Felderhof suggested last month that Busang's reserves could be as much as 200m ounces. He declined to comment further. The Harian Ekonomi Neraca report referred to a review by Freeport-McMoran Copper & Gold, the US mining company, which plans to develop Busang and is now undertaking "due diligence".

Mr Felderhof returned to Jakarta over at the weekend following the apparent suicide of his colleague geologist, Mr Michael de Guzman, who helped to discover the Busang reserve. *Manuela Saragosa and Clay Harris*

■ Canadian immigration authorities have arrested a man suspected of the Saudi Arabia bombing that killed 19 US soldiers last year. The Toronto Sun cited unnamed sources as saying that Hani Abdel Rahim Hussein Al-Sayegh, 28, was wanted by the FBI in connection with the bombing and could be deported following a hearing likely this week. Authorities appear set to charge four Sikh men from Vancouver in connection with the 1985 bombing of an Air India 747 off Ireland that killed 329 people. *Scott Morrison, Vancouver*

British Gas faces court over database use

By Jane Martinson

The data protection watchdog will begin legal action against British Gas Trading this week to stop the utility using its customer database to sell other services.

The unusual step comes after the domestic gas supply arm of Centrica sent leaflets two weeks ago to its 19m UK customers asking them whether they wanted information about additional products.

Now Ms Elizabeth France, the data protection registrar, may issue an injunction against British Gas, depending on its response to a preliminary notice, to stop it using its database to sell products such as financial services.

Centrica intends to use its new £100m ($159m) centralised database to sell products ranging from financial services to electricity.

The issue has implications for companies wishing to compete in the gas and electricity markets, set to be fully liberalised next year. Two other utilities are also understood to be facing action, but the scale of British Gas's activities makes its case urgent. British Gas's leaflet, which customers had to fill out and return in order not to receive information about a range of services, was judged by officials at the registrar to be unlawful and unfair, the two key principles behind the 1984 data protection act.

In a report delivered to Ms France on Friday officials recommended she should start enforcement action by issuing a preliminary notice to British Gas. She could do so as early as today. "Lawfulness is a big, big issue," she said. "But even if this were disputed there would still be the issue of fairness."

The registrar told British Gas earlier this month to wait for official guidance on whether it can use its database to sell other products before sending out information to clients. Her belief in the unfairness of the leaflets was fuelled last week when gas customers returned them to the registrar, rather than British Gas. "People don't understand what they are doing," said an official.

British Gas will have 28 days to respond to the preliminary notice. Ms France hopes that full legal action will not be necessary. "We have always operated on the basis that we want compliance, not scalps," she said.

Centrica refused to comment until it had seen the official notice. However it has argued the leaflets are simply giving customers a choice about whether or not to receive further information.

If the matter is not resolved after 28 days the two sides will go before a tribunal. Meanwhile, the registrar could issue an injunction to stop the company using any of the information it had gathered.

Ms France admitted the issue raised concerns about the data protection law itself, which is to be reviewed in October. "No doubt, one of the problems is my powers are reactive," she said. "I don't have the power to go in first."

Transfer of Crown Agents completed

By Liam Halligan, Political Staff

The privatisation of Britain's Crown Agents, the overseas procurement agency involved in contracts worth £4bn annually, has been completed.

The deal had been thrown into uncertainty last week when Labour, the biggest opposition party in the House of Commons, withdrew its support. Although the transfer was authorised in principle in 1995, binding decisions require the opposition's approval during an election campaign.

Ms Clare Short, Labour's overseas aid spokeswoman, said: "I originally wanted to review the transfer, but if we had not agreed now, the £5.5m of public money set aside for the project would have returned to the Treasury."

Ownership will be transferred to the Crown Agents Foundation, a company limited by guarantee, comprising a range of commercial entities, charities and development institutions.

Members of the foundation – which include Barclays Bank, Unilever and sugar refiners Tate and Lyle – will not invest capital. Profits will be reinvested.

Crown Agents, founded in the 1830s, buys goods and manages projects for governments outside Britain, using a network of 1,000 staff in 40 countries. Although playing a significant role in delivering Britain's overseas aid programme, it has operated at no cost to the Treasury for several years, with the vast majority of its business financed from other sources.

It earned £60m ($95m) in fees last year, with clients including the World Bank, the European Community and the United Nations. Privatisation is designed to allow the foundation to take on private sector projects and form joint-ventures, while maintaining a reputation for impartiality and integrity.

Labour backs up pledge on tax rates

By David Wighton, Political Correspondent

Mr Gordon Brown, the shadow chancellor, yesterday bolstered Labour's pledge not to raise income tax rates by adding a commitment to retain the current ceiling on employees' national insurance contributions.

He also sought to clarify Labour's plans for a windfall tax on the privatised utilities by stressing that companies eligible for the levy would not necessarily face a tax bill.

Although Labour dropped the idea of abolishing the national insurance cap after the 1992 election, there has been continued speculation that the proposal might be revived in government.

But Mr Brown yesterday ruled out raising the ceiling. "We said in 1992 that we weren't returning to this . . . and there can be no doubt about that." Mr Brown did not say whether the commitment was for the life of the next parliament, but an aide said: "The idea is dead and buried."

The pledge was designed to provide further reassurance as Labour prepares to publish its separate business election manifesto.

The document will include a commitment to set up a working party with business to establish priorities for the UK's presidency of the European Union in 1998. The plan was drawn up after discussions with the Confederation of British Industry which has said it would join the working party.

On the windfall levy, Mr Brown made clear that while a wide range of utilities would be considered for the tax, the size of their liability would depend on the "excess profits" they had generated.

His comments follow last week's confirmation that the tax would in principle apply to all those privatised companies which are "licensed and regulated by statute". This definition includes companies such as British Telecommunications and BAA, the airports operator.

However, Labour figures close to Mr Tony Blair, the party leader, have stressed that merely because a company would be eligible for the tax would not mean it would a face a significant bill. The implication is that the bulk of the tax would fall on the water, electricity and gas companies. They have also suggested that the tax would raise nearer £3bn, ($4.7bn) rather than the £5bn-plus indicated by Mr Brown's team.

Shadow chancellor Gordon Brown yesterday ruled out raising the national insurance ceiling

Although Mr Brown has refused to say precisely how an individual company's liability would be calculated, he has said it would reflect any weakness in regulation, exploitation of a monopoly position and underpricing of the shares at flotation. Analysis by the Financial Times has shown that, depending on the precise details, such a definition of excess profits could leave BT with little or no liability.

● The Labour party has modified its commitment to ban all tobacco advertising and promotion. The measure, promised as one of the earlier acts of a Labour government, may now be limited to banning advertising in the wake of fears that sport could suffer if tobacco's support for sports ranging from grand prix racing to cricket, snooker and darts was suddenly truncated.

Mr Chris Smith, Labour's shadow chief health minister, who has taunted the Conservative government recently over its refusal to tackle tobacco advertising, said the commitment to an advertising ban remained strong.

Soccer brings to book poor literacy

By David Wighton

Four soccer clubs in the UK's Premier League are backing a Labour party plan to provide study centres at their grounds to help tackle poor literacy levels among primary school children.

Chelsea, Arsenal, Newcastle United and Sheffield Wednesday have all agreed to help fund the facilities which will also provide supervised homework sessions and lessons on basic skills for secondary school pupils.

The schemes are designed to harness youngsters' interest in football to improve their motivation. The prospect of a game after the lessons is expected to be a powerful incentive.

Mr David Blunkett, Labour's education spokesman, said: "It is an excellent and cost effective way of raising standards, improving pupil motivation and boosting literacy. It is a unique and valuable venture in which everyone's a winner."

The centres will each cost £50,000 to build and a further £100,000 a year to run. A third of the money would be provided through from a grant scheme within the education budget, with the clubs funding the rest from their own resources and private sector sponsorship.

Central bank to tighten risk supervision

By George Graham, Banking Correspondent

UK central bank inspectors are to spend more time visiting banks as part of an ongoing shake-up of the way it supervises risk.

The new system follows criticism of the Bank of England's supervisory role in high-profile crises such as the collapse of Barings and Bank of Credit and Commerce International.

The changes, to be announced today, will give supervisors a more consistent framework for judging whether a bank is running more risks or has fewer controls than its competitors.

Inspectors will talk to senior managers and examine how banks are managed. They will visit low-risk banks less frequently, while banks which are living dangerously could be forced to increase their capital as a cushion against the extra risks they are running. High-risk banks could see their licences withdrawn.

Inspectors will aim to visit each "significant management unit" - any business grouping which accounts for 5 per cent or more of revenues, pre-tax profits or capital, or any other unit which poses a significant risk.

In 1995, this would have led supervisors to visit the Singapore arm of Barings.

The new framework builds on changes proposed last year after a review by consultants Arthur Andersen, which itself followed recommendations for an overhaul of the Bank's supervision structure in the wake of the Barings collapse.

Many elements in the proposed new supervisory framework are already used in practice. Mr Michael Foot, head of the Bank's banking supervision, hopes the new system will ensure all super-visors are measuring the banks in their charge by the same yardstick.

Supervisors will seek to meet the chief executive, other directors – including some non-executives, especially the chairman of the audit committee – the chief financial officer and head of control functions such as risk management, internal audit, information technology and human resources.

"One of the problems in the past has been that we have tended to talk to too narrow a range of managers," said Mr Foot.

"If these proposals lead to better supervision of material risks through a process which is less bureaucratic, they will carry industry support," said Mr Peter Vipond of the British Bankers' Association.

Lloyd's fights die-hard Names

The market is still being pursued despite last year's settlement

Litigating die-hards concerned that Lloyd's of London Names have thrown away their right to sue the insurance market by accepting the terms of its recovery plan last September can draw comfort from the knowledge that, for some, the battle may rumble on.

A rump of US Names – the individuals whose assets have traditionally backed Lloyd's – are embarrassing the insurance market in the American courts as it tries to restore its reputation after years of financial and legal problems.

Lloyd's is trying to overturn a ruling in a Californian court of appeal which has allowed US Names to sue it under US securities fraud and racketeering laws. It has demanded that the case be reheard and has also enlisted the support of the British government, which attacked the ruling last week.

But the litigation does not end there.

Mr John Millar, a former Lloyd's policyholder and 94-year-old resident of Monte Carlo, has returned to a Florida court to sue a group of the insurance market's underwriters.

He alleges they deliberately withheld money owed to him in an act of "bad faith". If a ruling is made in his favour, he could be awarded up to £25m ($40m).

Mr Millar is no stranger to legal tussles with Lloyd's. He sold all of the family silver and an art collection to finance a nine-year battle over the insurance claim for his storm-damaged yacht. He won that fight three years ago: a bitter sweet result as much of the £4.5m awarded went to his lawyers.

His prolonged struggle against the insurance market has seen him again take the witness stand just as another action in the UK reaches a climax.

The final arguments of a case brought by Lloyd's against investors who refused to accept its £3.2bn offer compensating them for £8bn in losses suffered from 1988 to 1992 are to be heard in the UK High Court today.

The insurance market is seeking to recover £350m in debts from 1,755 recalcitrant Names.

A group called the United Names Organisation is fighting on their behalf and has alleged that Lloyd's committed fraud by recruiting Names while hiding knowledge of its losses. Lloyd's denies these charges and demands the Names should pay their debts before suing.

> The Feltrim Names Association will be asked to approve going into 'suspended animation'
>
> Damon de Laszlo, Feltrim chairman.

The UNO is also expected this week to try and take up the reins in another High Court action.

This case was originally brought by Names who have since settled but who claimed the way in which Lloyd's operates contravened European competition laws.

The Names had been in the process of appealing a decision in Lloyd's favour and the UNO wants to continue.

But the big action groups of Names which led the fight against Lloyd's in the past are winding up.

The Sturge Names Action Group, which represented investors with projected losses totalling £1.4bn, holds its final meeting on Thursday, when it will cease to exist.

A separate offshoot will be created to fight a legal battle against solicitors Clyde & Co.

The Feltrim Names Association meets on Thursday too, when members will be asked to approve plans for putting the group into "suspended animation", according to Feltrim chairman Damon de Laszlo. The Feltrim Names will also be asked to approve remuneration of £1m for the group's committee members.

Outstanding litigation continues to embarrass Lloyd's.

But there is little danger that all this litigation will unhinge the insurance market's completed recovery plan. More than 95 per cent of 34,000 Names worldwide accepted the settlement offer and agreed to pay a premium for reinsuring the old losses into Equitas.

Christopher Adams

Industry 'ill-prepared' for Emu

Leading finance directors stress action is needed whether or not Britain joins single currency

By Wolfgang Münchau, Economics Correspondent

British industry is ill-prepared for the European single currency, the finance directors of Britain's largest companies say in a report published today.

The 100 Group, made up of 140 finance directors of the largest UK companies, say companies may have spent a considerable amount of time considering the pros and cons of European monetary union but they have not yet made the necessary preparations for it.

Mr Edward Weiss, chairman of the group's working party on the single currency, said: "So far the main involvement of management has been to consider the economic arguments, but we have now got to move on. Monetary union will happen at some point and the effect on the way we do business is going to be immense."

The report stresses a dual software problem: companies must change their computer systems to handle both the transition to the single currency and the "millennium bomb" – the inability of many computers to cope with the date change at the end of the century.

The group identifies a series of issues businesses must confront, irrespective of whether Britain joins Emu or not. It says Emu will create a larger, more liquid and more efficient capital market that may offer cheaper sources for long-term finance. Companies should review their treasury management operations to seek lower borrowing costs and demand better pan-European services from their banks. In addition, the new currency could make prices and wages more transparent across Europe. The likely effect would be an increase in competition.

The report also suggests that banks and retailers in particular will need to pay closer attention to the changeover of cash-handling systems, including cash dispensers and tills.

Retailers may have to cope with two sets of notes in circulation during a changeover period.

Other areas identified by the group as needing further consideration are pensions and various legal issues. It is also concerned about the UK's continued access to the single market if Britain remains outside the single currency.

● Nearly three-quarters of companies are likely to seek exemption from the European Union working time directive when it comes into law in the UK, according to a survey published today by the Institute of Directors.

The survey of 700 company directors found 74 per cent would seek an opt-out from the legislation on the grounds that the "nature of their business made compliance impractical". Two-thirds cited the need to perform "urgent or unforeseen work" as the reason. The need to ensure continuity of production was also cited.

China is struggling to reconcile low executive pay with a market economy, says **James Harding**

Hidden compensations

Chen Chunbo is by any measure a successful Chinese businessman. He has managed the transformation of the Mapo County collective enterprise, a rag-bag of rural workshops, into the multimillion dollar Beijing Country Club, comprising a golf course, a race track, an entertainment centre and more.

Successful he may be, but his annual salary is only just over $5,000 (£3,144). "One would naturally want more, but there are enough people already looking over my shoulder," he says.

Socialism with Chinese characteristics, the term coined by the late Deng Xiaoping to disguise China's conversion to capitalism, unleashed Chen and a generation of entrepreneurs. But, in one sense at least, Chinese companies are showing their communist credentials – the comrades in the boardroom are officially paid little more than the comrades on the shopfloor. As Chen explains: "This is executive pay with Chinese characteristics."

That, at least, is the official position. Taking into account the "grey income" – benefits, hidden compensation, directorships on subsidiaries and old-fashioned graft – executive income is privately estimated by government economists to be at least three times the stated figure.

The Communist party leadership, though, preoccupied by the widening gap between the rich and poor, clings to the nostalgia of an egalitarian salary structure. The Ministry of Labour issues general guidelines on remuneration recommending that the top executives should not, in principle, be paid more than three times the salary of ordinary workers. The guidelines apply to state-owned enterprises, covering about 70 per cent of workers in urban areas. The government's suggested pay scale for directors is tied to company assets: Yn20,000 (£1,506) a year at enterprises with assets of Yn100m, Yn30,000 at companies worth up to Yn500m and Yn50,000 where assets exceed Yn500m.

So the annual salary last year for the directors of China Eastern Airlines, the country's most profitable airline which floated to an enthusiastic welcome on the Hong Kong and New York exchanges earlier this year, was on average Yn43,370.

At Inner Mongolia Erdos Cashmere, the world's largest cashmere maker and one of the most successful companies in the textile sector, Wang Linxiang, president and general manager, is on a salary of Yn21,600. The management of loss-making companies with comparable assets would be paid the same.

The government acknowledges that the salaries are out of kilter with wages at foreign joint ventures or private Chinese enterprises, which are free from government intervention. At a foreign-Chinese joint venture, a mid-30s manager might hope to earn more than $25,000 a year, according to a Shanghai-based personnel consultancy.

However, labour ministry officials say changing state-sector salaries would involve "taking a hard look at the political situation ... it would involve changing people's mindsets".

One such mindset is that of Jiang Zemin, China's president, who is painfully aware that while Deng's economic revolution lifted much of China out of poverty, hundreds of millions of people have been left behind, resentful of their relative impoverishment.

Jiang recently scolded party members and state employees who "have forgotten the party's good traditions characterised by arduous struggle, diligence and thrift".

He added: "In opening up to the outside world, we must actively make use of things from developed western countries ... but we must be careful not to take the decadent things for miracles, or ulcers for treasures."

In such an atmosphere, even Shanghainese businesspeople, who have a reputation for being brazenly materialistic, say talk of reforming the official pay structure is practically taboo.

"This is a very sensitive problem," says Tao Guoqiang, president of Forever Bicycle. "Of course, we think it is unfair. We think we should be paid better. But there are a lot of people who are unemployed or redundant workers with very low salaries. So this is not something we can really talk about."

While the managers grumble behind closed doors, the best and brightest young graduates are doing the arithmetic for themselves. A survey last week in the Liberation Daily, the official Shanghai broadsheet, showed that Shanghai university graduates "ask for too much" when applying for a job. The average monthly salary in Shanghai last year was Yn888, but young people usually ask for Yn2,000 toYn2,500 a month.

A recent straw poll of Nanjing graduates by Pacific Bridge, the US human resources company, showed 80 per cent said a foreign-Chinese joint venture was the most attractive kind of company to Chinese workers seeking employment. Nobody thought a career at a Chinese state-owned enterprise appealing.

'Management gets luxurious housing, domestic staff, travel expenses, not to mention free banquets'

At Sinochem, the mammoth state enterprise under the umbrella of the Ministry of Foreign Trade and Economic Co-operation, the salaries of middle management are kept down "lest disparities in pay become obvious".

The price of that is a "brain drain, particularly the loss of young middle-level managers to foreign and private firms", says one company official.

Similarly, Citic, China's premier investment group, reports the "loss of young talent" as monthly salaries for top managers of a little over Yn2,000 and "hidden compensations" are not enough to satisfy its staff's increasing aspirations.

The "hidden compensations" are substantial. At one of China's largest state-owned companies an official says: "The upper management gets free sedans with chauffeurs, luxurious housing, domestic staff, comprehensive travel expenses at home and abroad, not to mention free banquets and limitless expenses for wining and dining guests. Some also sit on boards of foreign companies or associated subsidiaries, giving them additional income."

Richard Graham, head of ING Barings in China, says "low remuneration has always allowed for the possibility of corruption".

As another Shanghai analyst puts it: "While the guy is general manager of a big company in China, he is king and everything he wants – his daughter's education in Vancouver, the holidays on Hainan Island, the cars and the carpets – is paid for. There is no separation of personal and private income. But when he leaves the company, he has nothing to fall back on. So what they do is milk the company as they near retirement."

The managing director of one of Shanghai's flagship manufacturing companies confirms that "special deals" to keep old managers comfortable in their retirement are common. "What people often do is arrange a little company, often a property business, set it up with the company's money and put themselves on the board. Even better, they establish a foreign subsidiary which can pay them overseas. That way they can then go on getting profits or consulting fees after they finish working," he says.

Economists at the Shanghai municipal government say the "grey income" problem, let alone the rising incidence of corruption, makes a serious dent in fiscal revenues. Official, taxable income last year was on average $1,280 in Shanghai, but municipal forecasts suggest real earnings were three times that figure. At some of the state companies unofficial earnings exceeded official pay by as much as 10 times.

In an attempt to redress the balance between foreign and state salaries and staunch the growth of "grey income", Shanghai authorities last year introduced a trial bonus scheme for managers at some of the city's 200 state enterprises.

Directors of companies like Baoshan Iron and Steel, one of the largest steel makers in Asia, continue to receive standard salaries, but can earn bonuses worth up to three times their official pay if they meet agreed targets, according to one government official.

He says the introduction of the scheme is part of China's transition to the market economy, but adds "we had to introduce the bonuses, because people would be taking the money anyway".

Chen at the Beijing Country Club hopes that Chinese people will become more open-minded and executives will be paid competitive salaries.

In the meantime, though, China will find it hard to reconcile one of the anomalies of the socialist market economy: paltry executive pay in a profit-driven society. Chen explains: "If I were paid much more, people would start rebelling. They would be very envious. This is what we call China's red-eye disease."

Spotting opportunities: Curtiss (left) and Myers

PARTNERS

United Overseas

Jeffrey Curtiss, 54, set up the United Overseas Group in 1976. A year later Robert Myers, 48, became a partner. Their company buys surplus branded products and repackages them for distribution throughout the world. Their annual turnover is £78m. At the end of March the company will be listed on the London Stock Exchange.

Robert: "I remember being very nervous the first time I went to a meeting with Jeffrey. I suggested we practise, as I knew nothing about the business, but he was adamant that we must never rehearse anything. 'Just watch and go with the flow' was his advice, and from then on I simply followed his lead.

Jeffrey can anticipate what people are going to say and always comes up with what they want to hear. He has that rare gift of being able to read people's minds and can put himself in other people's shoes. Unlike me, he works under a pile of paper yet always knows where everything is.

He can tell you what he paid for stock, in what year, and from whom he bought it. The most important thing he's taught me is how to value stock. I can now pick up a product and the number which pops into my head is the one I stick with.

It doesn't matter how unusual the product is, we both have a feel for what it will earn in the market place.

I'll never forget Jeffrey buying a load of aerosol sprays for waterproofing the wings of racing pigeons. Apparently, a lot are lost in thunderstorms but the manufacturer had overestimated the demand. We immediately repackaged them and sold them as tent spray.

This business is all about spotting opportunities and knowing what will sell."

Jeffrey: "When I set up the company I knew the future lay in branded goods. Buying existing brands that have been subject to package change is always better than buying a product that is made to price. Heinz Baked Beans at a price are better than beans by Fred Jones at any price.

Robert came from an accountancy background and taught me financial discipline. In turn I taught him everything about trading.

I don't think either of us ever doubted the company would be big. Our first year turnover was £460,000, 20 years later it's £78m with no sign of a ceiling.

In the early days we made mistakes because we were hungry and said 'yes' to things through lack of experience. We once bought a whole range of perfumes and cosmetics after seeing some beautifully packaged samples. Unfortunately, when they arrived they were all in bulk shipping cartons and we lost a lot of money. Nowadays we don't buy anything we haven't seen.

Robert and I can go to a warehouse to price stock and although we'll start at opposite ends and pass each other, we won't be more than 5 per cent out on our individual analysis.

At one time Robert wanted us to move into retail, which was a terrible idea because we would have been competing with our customers. Accountants always want to enhance things whereas I was happy for us to stay on course.

He's now MD of the toy division and respected by everyone in the industry. I often think I saved him from having a very dull life."

Fiona Lafferty

Hysterical writers guilty of workplace abuse

Lucy Kellaway

The chances are that you are a victim of abuse. Not sexual abuse, but a brand new sort: corporate abuse. According to a recent book by a couple of American women, corporate abuse is rampant. Workers everywhere are being abused, our employers are overworking and bullying us, our ideas are being ignored, and we are suffering from low self-esteem, helplessness, fear, hurt and self-hatred. We are the victims of the lean and mean organisation.

Just thinking about it makes me cross. Not at the thought of all of us abused workers, but at the woolly thinking and hysteria behind the idea.

The book begins by stating that people enjoy work much less these days than they used to. What evidence do they have for this? Some recent trends have been good, others bad. Jobs are less secure, but people are less likely to feel powerless and stuck in a rut. It is all swings and roundabouts.

The language is also objectionable. It is bad enough having victim-speak applied to all aspects of our non-work lives, but having it in the office as well is too much.

It is true that some companies do give employees a very bad time. But that has always been the case. The difference now is that companies which consistently mistreat staff have a way of not surviving.

The judges gushed; the winner basked in self-congratulation. Once again Marks and Spencer was voted best company in the British Quality of Management Awards. What are we to make of this? That there is only one really good company in Britain?

Or are we to suspect that the captains of industry, journalists and investors who vote for Marks and Spencer year in year out do so not because it is the best company, but because it has the reputation of being the best?

The most peculiar aspect of the awards was that Marks and Spencer was also named as the company with the best record in corporate governance.

In 1996, the year in which the judging was done, the M&S board was not exactly a model of the nimble, modern board, well-stocked with energetic non-executives. Indeed, against 18 executive directors there were just four non-executives, of whom the youngest was 63.

Even the company itself must have felt that its board structure was wanting, as it has subsequently doubled the number of non-execs – though they are still far outnumbered by executives. And Sir Richard Greenbury, while his title is simply "chairman", might as well also be called chief executive, as the next position down is joint managing director, which is split four ways.

There are lots of things you could praise Marks and Spencer for – its results, its strong culture, its great underwear. Outstanding corporate governance is not the first that springs to mind.

We The People Worldwide is an exciting new magazine that has just been circulated to all Merrill Lynch staff. The first issue contains a stimulating article, Becoming a World Class Employee, which gives 23 handy hints on how to achieve this. The first step to excellence is to "think of yourself as a consultant ... earn your consulting fee every day".

If I were head of Merrill Lynch, I would beg staff *not* to think like consultants – focusing on the short term, not feeling part of the organisation, fancying yourself superior to everyone else ...

ML views this magazine as serving its "employee community" worldwide. No such community exists. If you are a US broker on Wall Street you may regard these handy hints as useful. But for Merrill Lynch employees in London, the personal philosophy of excellence is more likely to involve getting the job done, then going for a pint over which they can ridicule the new staff mag.

Most management books have a slick title followed by badly presented, unoriginal twaddle. That is the view of the judges who have just read stacks of these books for this year's Management Consultancies Association book prize.

It goes without saying that they are right: management is a flabby subject on which it is hard to write intelligibly. Nor is there any particular incentive to be cogent, as managers will apparently buy almost anything, and then not read it.

The head of the MCA said that what we need are more books that change people and the way they do things. I'm not sure I agree with that. It is not change *per se* that is wanted, it is change for the better. One or two books a year which do that are plenty to be getting on with.

FINANCIAL TIMES
COMPANIES & MARKETS
©THE FINANCIAL TIMES LIMITED 1997 Monday March 24 1997 Week 13

IN BRIEF

CSFB moves into high-tech financing

Credit Suisse First Boston entered the lucrative world of high-technology financing by taking a 25 per cent stake in Volpe Brown Whelan, a specialised San Francisco investment bank. Through the deal CSFB, which is part of Switzerland's Credit Suisse, joins Union Bank of Switzerland and Germany's Deutsche Morgan Grenfell in the scramble to capture a share of one of the fastest-growing sectors in corporate finance and advisory services. Page 23

Philips seeks product growth stability
Philips, Europe's largest consumer electronics group, is to limit the extent to which it stakes its future on product breakthroughs – aiming for predictability in growth rather than seeking rewards in expensive innovations. The company came close to bankruptcy in 1991 but recovered to achieve record net profits of Fl 2.52bn ($1.39bn) four years later, before sliding back into a Fl 590m loss last year. Page 22

Menem to authorise postal privatisation
The privatisation of Argentina's state-owned postal service, Encotesa, is expected to be authorised in the next few days by a decree from President Carlos Menem. In an attempt to assuage fears of the creation of a potential monopoly by private local mail providers, a last-minute "anti-monopoly" clause was included in the privatisation decree guaranteeing "competitive market conditions". Page 22

BHP reports 69.5% advance in earnings
Stronger oil prices and rising copper production helped Broken Hill Proprietary, the Australian resources group, to report third-quarter earnings to end-February up 69.5 per cent at A$378m (US$297m) after tax. However, the nine-month total, including abnormal items, was up only 6.3 per cent over the same period of 1995-1996, at A$1.17bn. Excluding abnormals, the nine-month profit was A$1.06bn, a 2.6 per cent rise. Page 23

ScotAm decision on bid expected
The climax to the £2bn ($3.18bn) auction for Scottish Amicable is expected this week when one of three bidders – Prudential, Abbey National or Australian Mutual Provident – is named as winner. The news will be accompanied by details of special bonuses for the mutual life insurer's 1.1m policyholders, adding to this year's £25bn demutualisation bonanza from financial services groups. Page 20

Storm forecast for P&O shareholders
Shareholders in P&O, the shipping and property group, face a trying week with the company's pre-tax profits forecast to fall by £20m ($31m) and limited news of progress with its planned £1bn divestment. P&O is expected to report pre-tax profits at about £300m tomorrow. Page 20

Parmalat to acquire Beatrice Foods
Parmalat, the Italian dairy products group, has stepped up its aggressive international expansion strategy with the C$290m (US$210.2m) acquisition of Beatrice Foods of Canada. Under the deal, the Italian company will purchase a 75.1 per cent controlling stake worth C$230m in the Canadian group. Citicorp, the New York bank which has been advising Parmalat, will acquire the remaining 24.9 per cent. Page 23

Rolling Stone finances health club
Ron Wood, who is used to singing for his supper as one of the Rolling Stones, is looking for further satisfaction through a worldwide chain of health and fitness clubs. The guitarist has guaranteed a bank facility of £1m ($1.59m) to the Harrington Club, which aims to be the first in London to combine exclusive social and health facilities under one roof. Page 20

Companies in this issue

Market Statistics http://www.FT.com

Chairman says he will resign if European Commission forces sell-offs

Crédit Lyonnais boss defiant

By Andrew Jack in Paris

The chairman of Crédit Lyonnais yesterday upped the stakes in the battle over the restructuring of the French state-owned bank with a suggestion that he would resign if the European Commission forced him to sell off many more of its activities.

In an interview with the FT, Mr Jean Peyrelevade said: "You cannot have any further significant reduction in the perimeter of the bank without destroying it."

The French government is expected to submit a privatisation plan, which could cost up to FFr30bn ($5.27bn), to European competition authorities in Brussels within weeks.

Commission officials have already indicated that they would demand considerable extra concessions in exchange for approval of the plan, including the sale of significant Crédit Lyonnais operating activities.

However, Mr Peyrelevade specifically said it was "out of the question" to sell the bank's capital market operations in New York or Tokyo, or other important international businesses which, he argued, were essential to maintain operating profits of at least FFr8bn-FFr9bn a year. While denying that he was attempting to blackmail the French or EU authorities, Mr Peyrelevade said that he had been nominated in late 1993 to make Crédit Lyonnais viable and that he had "an ethic of responsibility" which could force him to resign if his objectives were rendered impossible.

He dismissed renewed attacks from competitor banks and French politicians over his calls for a recapitalisation, arguing that all the country's banks had received injections of funds ahead of privatisation. He added that he was unaware of any other large bank in the world that had been dismantled.

Mr Peyrelevade said a recapitalisation was necessary, both to compensate for capital losses the bank will make when selling some activities it bought at high prices in the last few years, and to improve its Cooke solvency ratio and credit rating.

However, in a change from his comments in recent months, he said that Crédit Lyonnais' existing Cooke ratio of 4.5 could be increased to just 5.20 or 5.30 – a little below that of its rival Banque Nationale de Paris – rather than the 6 per cent figure he has previously cited. He stressed that he was already meeting the objectives of a previous state-brokered restructuring plan approved by the EU in 1995.

That required the bank to reduce its commercial presence outside France by 35 per cent. The lastest move under this plan was the sale of its specialist consumer credit arm Woodchester, announced earlier this month.

"In the year 2000, Crédit Lyonnais will be smaller in assets, staff and agencies than in 1988, before its period of folly," Mr Peyrelevade said.

"I am putting the counter back to zero. We will have lost 12 years of growth. Our competitors should rejoice."

Jean Peyrelevade, who yesterday upped the stakes over restructuring Crédit Lyonnais

Private UK clothes retailers outperform Euro rivals

By Roger Taylor

Many privately-owned clothes retailers in the UK are achieving financial returns that shame their quoted competitors and their peers in Continental Europe, a new survey has revealed.

Groups such as River Island and New Look in the UK have been making about 60 per cent return on capital each year and achieving double digit increases in sales. In contrast the best return from a quoted company came from Benetton of Italy which managed a 45 per cent return on capital.

The worst performers were less focused groups such as Hertie, Dyckhoff and Boecker in Germany which saw sales fall and produced zero or negative return on capital.

The survey, by Kurt Salmon Associates, the management consultant which specialises in consumer industries, compares published financial data for European clothes retailers over three years between 1993 and 1995.

Top of the table comes Oasis, the UK women's fashion retailer which, although now quoted, was privately owned for most of the period under study. It achieved a return on capital of 72 per cent and annual sales growth of 44 per cent.

Oasis was floated in June 1995 at 148p, since when the shares have risen to 390p.

In second place was River Island, the menswear chain owned by Lewis Shops and created out of the old Chelsea Girl and Concept Man chains. It managed 18 per cent annual sales growth and 59 per cent return on capital. River Island is expected to come to the market soon.

The aim of the survey was to see how different management attributes related to financial returns.

Mr Alan Braithwaite, vice-president of KSA, said: "The most successful companies are those that have tight financial controls and which remain focused with relatively few brands and a clear target market."

The form of ownership was not found to be a significant influence on success but the strength of many privately owned chains may come as a surprise to industry observers.

C&W set for last stage of telecoms merger

By Alan Cane in London

Cable and Wireless, the UK-based telecommunications group, will today publish the offer document for the formation and flotation of Cable and Wireless Communications, one of the most complex mergers ever seen in the UK.

The planned telecoms and cable subsidiary, valued at about £5bn ($7.95bn), is expected to revitalise the UK's stagnant cable television business and inject competition into the telecoms market.

The deal, through which C&WC will be forged from C&W subsidiary's, Mercury Communications, together with the UK-quoted cable companies, Nynex CableComms, Bell CableMedia and Videotron, was announced in October last year.

The offer document will set out the terms under which investors in Nynex CableComms and Bell CableMedia will be able to switch holdings into C&WC shares. It will also provide pro forma financial information including cash flows and a balance-sheet for the new company on which it will be floated in London and New York in the next few weeks.

The document will be welcomed as an indication that Mr Brown, C&W chief executive, has managed to keep one of the most complex mergers ever seen in the UK on track.

The programme has included the appointment of a chief executive, Mr Graham Wallace, formerly of Granada, and non-executive directors including Sir Bryan Carsberg, the UK's first telecoms watchdog. Mr Wallace is seeking a chief operating officer from outside to allow him more time to concentrate on integrating the group and maximising revenues.

C&WC will be the UK's largest cable company and, analysts believe, one of the few telephone companies in a position to mount a significant challenge to British Telecommunications.

Some 15 per cent of the company is to be floated in London and New York in late April or early May. Analysts suggest a value £4b-£5bn.

When the deal was announced in October, C&W had management control with a 52.6 per cent holding in C&WC while Nynex of the US held 18.5 per cent and Bell Canada, 14.2 per cent.

It is believed, however, that Mr Brown is keen to extend C&W's holding in C&WC and would be willing to bid for some or all of the 15 per cent set aside for public shareholders. He is known to view C&WC as C&W's core activity and to be anxious to see its influence extended abroad.

UK poll set to delay Bass deal with Carlsberg-Tetley

By David Blackwell in London

The drive by Bass to re-establish its position as the UK's biggest brewer looks set to be derailed by the country's general-election campaign.

A government ruling on its proposed £200m ($318m) acquisition of rival Carlsberg-Tetley is expected to be delayed until a new government is formed after May 1.

Although the Monopolies and Mergers Commission will deliver its findings to trade secretary Mr Ian Lang today, observers say he is unlikely to make a ruling in a controversial area of competition policy that could readily be overturned by a successor.

The delay is a blow for Bass. It said yesterday that Carlsberg-Tetley "will only suffer further from any more delays". The best outcome for Carlsberg-Tetley, a joint venture between Danish brewer Carlsberg and Allied Domecq, would be for the merger to be given the go-ahead, an official said.

An executive at Carlsberg added: "We would obviously like to see the proposed merger cleared by the secretary of state as quickly as possible."

In normal circumstances the announcement of the secretary of state's decision follows four to six weeks after delivery of the MMC's report.

The case is likely to be the first MMC referral to be dealt with under a new Labour administration, if the opposition party wins the election. According to one analyst this makes the odds of the deal being blocked 50:50.

"The delay is harmful for Carlsberg-Tetley," said the analyst. "Morale has been severely dented. But I don't see any decision being made until June or July."

Mr John Carnegie, drinks analyst at BZW, said a Labour government would want to be seen to be taking a firm line on Conservative policies it had been criticising.

The chances of the deal going through were a lot worse than under the present government or under a more established Labour administration.

Nevertheless, the final outcome would depend on the MMC recommendations as Labour would not want to be seen quarrelling with informed opinion.

"On balance, I think it will still go through," Mr Carnegie added.

If the deal were given the go-ahead, the downward trend in beer wholesale prices would come to an end. Bass would regain its number one UK brewer status with 38 per cent of the market.

It was usurped in 1995 by Scottish & Newcastle, which landed 30 per cent of the market after taking over Courage.

However, there are likely to be conditions. The outgoing government forced Scottish & Newcastle to trim its estate to 1,900 managed and 700 tenanted pubs.

Rough calculations suggest Bass might be required to shed 2,000 pubs.

If Bass finds the conditions too onerous, it can walk away from the deal and sell Carlsberg-Tetley back to its co-owners, Carlsberg and Allied Domecq, the spirits and retailing group, recouping £140m.

Lex, Page 18

Disney negotiates refinancing deal on $596m loan

By Edward Luce in London

Walt Disney, the US entertainment company, has negotiated a ground-breaking deal to refinance a Y73.4bn ($596.74m) loan which is backed by future royalties from Tokyo Disneyland – the most visited theme park in the world.

The arrangement, which bankers have called Dwarfs – Dated Widely Auctioned Royalty Financing Structure – is designed to reduce the interest costs on the loan Walt Disney originally took out in 1988.

It is intended to eliminate the risk associated with fluctuations in the yen-dollar exchange rate during the remaining 11 years of the loan's life.

"By monetising [securitising] its future royalties, Walt Disney has taken the perfect hedge on future fluctuations in the yen-dollar exchange rate," said Mr Tom Skwarek, head of global finance at HSBC Markets, lead manager of the refinancing deal.

Tokyo Disneyland is owned by Oriental Land, a Japanese property group listed on the Tokyo stock exchange. Walt Disney's loan is backed by royalties in gate receipts and concession fees which it receives from Oriental Land.

The refinancing is the latest in a series of "securitised" deals to have hit the market. Securitisation enables the borrower to raise money backed by future earnings from its business. In 1992 Disney became one of the first "intellectual property" companies to securitise its future earnings with a $400m debt issue backed by copyright royalties from planned feature films.

With royalties earned from the theme park, Walt Disney will service the Y73.4bn loan at an annual rate of 3 per cent. This is about half the rate it was paying on the securitised 20-year loan arranged by Citibank in 1988.

The 6 per cent interest cost which Walt Disney negotiated in 1988 reflected the cost of debt in Japan at the time. But the recession in Japan has pushed short-term interest rates to below one per cent.

Officials in the syndicate, which comprises HSBC, Citibank, the Long Term Credit Bank of Japan and Dai-ichi Kangyo Bank, say the refinancing has several unusual features. Unlike most securitised loans, payments will be at a floating rather than at a fixed rate of interest.

The royalties will be paid into a separate company which is incorporated in the Cayman Islands – an offshore financial centre in the Caribbean.

HSBC Markets will conduct an auction at three-year intervals when the coupon paid to lenders escalates from 30 basis points over Japanese Libor to 60 basis points and 90 basis points respectively.

Pay-outs to policyholders likely to exceed original £365 indicated by Prudential in its offer

ScotAm decision could be tomorrow

By Christopher Brown-Humes

The climax to the £2bn auction for Scottish Amicable is expected this week when one of three bidders – Prudential, Abbey National or Australian Mutual Provident – is named as winner.

The news will be accompanied by details of special bonuses for the UK mutual life insurer's 1.1m policyholders, adding to this year's £25bn demutualisation bonanza from financial services groups.

It is understood the result will be announced tomorrow or Wednesday. "We don't know whether a decision has been made yet," the Prudential said yesterday.

How policyholder bonuses are paid will depend on the structure of the winning candidate's bid. But pay-outs will probably exceed the levels indicated by Prudential and Abbey National when they made their original offers last month.

At that time, Prudential offered policyholders an average of about £365 in cash or shares, with a similar amount added to policies as part of its £1.9bn offer for the mutual.

Since then, all three bidders have found ways to replicate the structure of the Prudential's bid, allowing surplus capital backing the current with-profits fund to be made available to policyholders. Analysts say the winner could top £2.2bn.

SBC Warburg, adviser to Scottish Amicable, has stressed that the highest headline figure may not offer the best overall terms to policyholders.

But this could add to the group's headaches, given the possibility that one of the losers may challenge the outcome. Scottish Amicable plans to send out a policyholders circular in May, ahead of a vote in June, and likely finalisation of the transaction in the autumn. The circular will contain details of all the offers, and the reasons for accepting the winner. The mutual has accepted that its own plans to demutualise ahead of a flotation in three to five years time are dead.

The conclusion of the auction will throw a spotlight on other medium-sized life mutuals that analysts believe could make attractive targets for the unsuccessful bidders. AMP has said if it fails to win Scottish Amicable, it will look to buy another as a platform for expansion in Europe.

Rough waters forecast for P&O investors

By Michael Lindemann

Shareholders in P&O, the UK shipping and property group, face a trying week with the company's pre-tax profits forecast to fall by £20m and limited news of progress with its planned £1bn divestment programme.

P&O is expected to report pre-tax profits at about £300m tomorrow, down from £320m.

The company last week denied reports it had postponed the flotation of Bovis Homes, its UK house building operation with net assets of about £260m, and said the sale was due to take place this year. It had previously suggested it might happen in the first quarter of 1997.

Last March, P&O announced it would sell businesses and property worth about £1bn over three years. In 1996 it sold businesses worth £147m and made property disposals worth £200m.

P&O will be hoping improving conditions in its cruise business and last year's merger of its container operations with Nedlloyd, the Dutch transport group, will reduce pressure to make disposals.

But analysts suggested the profits may come under additional pressure following news last week that Nedlloyd's profits had been "whipped" by low margins in the container market. About 11 per cent of P&O's 1995 operating profits came from its container business.

Hopes that Lord Sterling of Plaistow, chairman, might offer good news on the proposed channel ferry merger with Stena, the rival operator – in time for the summer peak season – have also been dashed now the Monopolies and Merger Commission's report has been delayed. It was to be completed on March 6 but will now be passed to Mr Ian Lang, the trade and industry secretary, on April 4. If the MMC report recommends an unconditional merger, this could go ahead immediately.

However, analysts suggest conditions will be attached that are likely to delay the merger and mean the ferry companies operate below capacity during the peak summer season.

Continued competition from Eurotunnel, the channel tunnel operator, is likely to aggravate the ferry operators' predicament.

Analysts said the MMC report is likely to recommend continued competition in freight but the operators might merge passenger operations.

Rex Features

The times they are a'changing: Ron Wood is the membership secretary of a health club

It's only rock and roll - but it finances a health club

By David Blackwell

Ron Wood, who is used to singing for his supper as one of the Rolling Stones, is looking for further satisfaction through a worldwide chain of health and fitness clubs.

The guitarist has guaranteed a bank facility of £1m to the Harrington Club, which aims to be the first in London to combine exclusive social and top-notch health facilities under one roof.

The club committee includes such celebrities as tennis star Andre Agassi, jockey Frankie Dettori, and film star Keifer Sutherland. Mr Wood is the membership secretary.

The Harrington Club, which is advised by Pannell Kerr Forster, is seeking to raise £2m through the offering of 2m shares. The offer closes on April 4, when the group plans to start spending a total of £3m converting the old Pineapple dance studios in South Kensington.

Mr Conor O'Brien, finance director, said that if the offer was successful, the club would open near the end of this year. The company would seek a listing on Ofex, with the ambition of moving to Aim. With a planned initial 2,650 members, the club was budgeting for revenues of just over £4m and profits of £532,000 in 1998, he said. It would look to open clubs in cities such as New York and Los Angeles.

GWB hits Atlanta as first base

By Clay Harris

Gartland Whalley and Barker, the Halifax-based industrial corporate developer, has chosen the south-eastern US as the most fertile ground for its first international expansion and appointed an expatriate Yorkshireman to lead it.

GWB, an Aim-traded company controlled by Mr Tony Gartland and several former colleagues at FKI, will announce today the selection of Atlanta as headquarters for its US operation and name Mr Bryan Clarke, aged 48, as chief executive.

Mr Clarke, president of Durkopp Adler America, a German-owned maker of industrial sewing equipment, has worked in the US since 1986. In the UK, GWB has bought small private manufacturing companies, expanded them by acquisition and then floated them on the stock market before eventually selling out.

GWB had previously announced its intention to repeat this formula in the US by creating up to four regionally based "mirror image" companies.

Mr Clarke said Atlanta had beaten out Chicago as the site for the first operation. He said: "The competition for this sort of investment is intense, but it is less so in the south-east. It's a good place for us to cut our teeth."

Bryan Clarke: to head group's first US operation

NEWS DIGEST

PizzaExpress damps bid talk

PizzaExpress has moved to damp speculation of a bid, following a big rise on Friday in the restaurant group's shares.

They have risen more than 40 per cent this month: on Friday they rose more than 100p before settling 57p higher at 767½p.

Mr David Page, chief executive, said: "We have the highest p/e in the sector. If you were on the board of another company you would probably be asked to resign if you suggested a bid at these levels.

"In four-and-a-half years [since the 1993 flotation] nobody has ever approached us with an offer."

The company said recent gains in the shares reflect the level of growth. PizzaExpress plans an additional 30 restaurants over the next 12 months as well as increasing the the return from its existing outlets.

On Friday the shares stood on a prospective p/e of 44, based on forecasts by UBS, the house broker.

Peter John

Virgin Cinemas at £13.5m

Virgin Cinemas yesterday said its 26 multiplex sites, retained after the sale of 90 traditional cinemas to the ABC chain in May, made operating profits of £13.5m in 1996, up from £7m.

The result, its first full year under the ownership of the Virgin group, came with the news that capital investment will increase from £11.7m last year to £34.5m this year: the company plans 20 new cinemas within three years.

Chas Taylor losses deepen

Charles Taylor, the insurance services company which floated in October, announced increased full year losses of £5.34m for 1996 against £2.09m the previous year.

The company was hit by exceptional charges of £7.31m (£2.66m) for restructuring; there was also a £1.82m (£2.08m) charge for exceptional remuneration. Stripping these out, the company reported underlying pre-tax profits of £3.8m (£2.5m) which matched directors' expectations. Turnover was 6 per cent ahead at £20m.

Tyzack looks to future

Tyzack Precision, until December known as Suroveln, has "witnessed a fundamental improvement in structure and prospects" over the past six months, according to Sir James McKinnon, its chairman. Both changes stem from the sale of its surface treatment division to US Filter for £12m.

Sir James said the sale of the division for an attractive price left the group with cash resources of £11m with which to pursue its acquisition programme.

There was a pre-tax loss of £612,000 in the half-year to January 31, compared with a £211,000 profit. Sales increased to £18.7m (£17.5m).

Carclo in £25.6m acquisition

Carclo Engineering Group, the specialist wire and technical plastics concern has acquired for £25.6m cash the technical mouldings division of EIS Group.

Carclo directors said they intended to add value and generate further growth in the division through a focus on margin improvement and selective capital expenditure. Net assets of the division were £12.8m as at December 31 1996.

Speciality Shops slips

Speciality Shops, the property company which concentrates on shopping centres, reported a fall in 1996 pre-tax profits from £907,000 to £786,000 as rental income was affected by property disposals in 1995.

Pemberstone jumps to £2m

Pemberstone, the enlarged property group, lifted pre-tax profits to £2.07m in 1996, against £373,000 for the previous 18 months. Turnover reached £9.4m (£1.36m), while cash generated from operating activities grew from £171,000 to £4.75m.

Pemberstone also announced that its offer for Romar Recoveries was unconditional, with the company and its concert parties now in control of 86.4 per cent of the shares.

izzat Xpress
amps bid talk

• UNITING CORPORATE AND INVESTMENT BANKING WORLDWIDE • US$ 11 BILLION • OFFICES IN OVER 30 COUNTRIES • 10,000 PEOPLE •

Buenos Aires set to authorise Encotesa sale

By Andrea Campbell in Buenos Aires

The privatisation of Argentina's state-owned postal service, Encotesa, is expected to be authorised in the next few days by a decree by Mr Carlos Menem, the country's president.

The decree envisages that the postal network is handed over to the highest bidder in September, said the president of Encotesa, Mr Antonio Puricelli.

To assuage fears of the creation of a monopoly by private local mail providers, a last-minute "anti-monopoly" clause had been included in the privatisation decree guaranteeing "competitive market conditions", Mr Puricelli said. However, the clause did not exclude local companies from bidding for the concession.

According to the terms of the decree, the winning bidder will invest $25m a year in the company for the first 10 years of a 30-year concession. Bidding is expected to open at the end of March.

From then on, approximately 1 per cent of Encotesa sales will be reinvested in the company annually. To date, the national postal services of Canada, France, Italy and Sweden have expressed interest in Encotesa, which registered sales of $487m in 1996 and an estimated operating deficit of $23m, down from $58m in 1995.

To qualify for the concession, interested companies must handle a postal volume 50 per cent greater than Encotesa's and be 50 per cent more efficient. Encotesa's productivity rate, which jumped 38 per cent last year from 1995, now stands at 23,000 pieces of mail delivered for every one of its 20,000 employees.

In order not to limit the number of bidders, Mr Puricelli said, the government has dropped a condition requiring buyers to be headed by a member of the Universal Postal Union. Instead, an UPU member can act as a technical consultant and guarantor to the winning consortium.

Postal rates, originally scheduled to be cut by nearly half for cards and letters, will not be allowed to exceed current levels once the privatised Encotesa begins competing with some 300 private postal companies operating in Argentina since the market was deregulated in 1993.

The rates may come under a regular three-year review, however, in an effort to see whether tariffs could be lowered.

The government is pushing for Encotesa's privatisation before October Congressional elections in order to disarm political opponents who have "prejudiced" the privatisation, Mr Puricelli said.

The mail company's privatisation, will, according to those who oppose it, favour the postal entrepreneur and sometime friend of President Menem, Mr Alfredo Yabrán, the man claimed by former economy minister Mr Domingo Cavallo to be at the centre of attempts to take over the country's postal system.

"The government is absolutely certain of the transparency of the procedure and we want to privatise before the elections, so nobody can come back at us and say that we were trying to hide something," said Puricelli.

Philips to limit reliance on new products

By Gordon Cramb in Amsterdam

Philips, Europe's largest consumer electronics group, is to limit the extent to which it stakes its future on product breakthroughs – aiming for predictability in growth rather than seeking rewards in expensive and risky innovations.

Mr Cor Boonstra told his first annual meeting of shareholders since he took over as president of the Dutch company last October: "Whenever I see Philips referred to as a gambling stock, I am filled with dismay." The shares were volatile, he acknowledged, and had underperformed over the past decade.

The company – in earlier years inventor both of the compact disk and the failed V2000 video system – came close to bankruptcy in 1991 but recovered to achieve record net profits of Fl 2.52bn ($1.33bn) four years later before sliding back into a Fl 590m loss last year.

"We overestimated our growth potential, geared up our organisation accordingly, and in this way incurred excessive costs and failed to apply the brakes in time," Mr Boonstra said.

"Again and again we have proved vulnerable to market fluctuations, to the trade cycle, to success or lack of success with a particular product.

"We then put all our faith in a new invention, a new product, as if it is some magic wand that will solve all our problems with the market, the competition and price erosion. And if it fails to live up to its promise, we suffer a setback.

"We are now seeking to break out of this cycle of all-or-nothing offensives and the contrived optimism that accompanies them."

Philips, which has been closing or selling a swathe of underperforming units, would "not, for the time being, be embarking on any risky new ventures", concentrating instead on improving management and seeking growth in its remaining businesses.

"This may not sound very spectacular, but that is the very point I'm making: we want more certainty, we want to become more predictable," said Mr Boonstra, 59, who joined the group in 1994 from Sara Lee, the foods manufacturer.

Shareholders at the Amsterdam meeting grilled him for more than an hour on prospects – he reiterated that double-digit growth should be possible in future – and of his lack of overall strategy. This would come by early next year, Mr Boonstra assured them.

Reuter

Cor Boonstra: wants Philips to become more predictable

Tributes came from the floor but not from the podium for Mr Jan Timmer, his predecessor, to whom the new chief referred only obliquely.

Last month Mr Timmer made an abrupt and unexplained departure from the company's supervisory board, to which he had been elevated on retiring from management. Under Mr Boonstra's cuts a number of projects from the Timmer era have been abandoned.

Placer Dome gives up stake in Marcopper

By Justin Marozzi in Manila

Placer Dome, the Canadian mining company, has handed back its 39.9 per cent stake in Marcopper, the Philippine mining group involved in a serious spillage last year.

The withdrawal closes a difficult chapter for the Canadian group in its involvement with Marcopper. Last March, the Philippine company spilt 2m tonnes of waste from its copper mine in Marinduque island into the Boac river, triggering more than 2,000 claims totalling 19m pesos ($722,000) for lost income and damaged crops.

Placer Dome wrote off its investment in Marcopper last year, taking a $43m charge against earnings. The transfer of shares will not result in any profit for the Canadian group.

Mr John Willson, chairman and chief executive of Placer Dome, said the group had been discussing withdrawal from the copper mine more than two years ago, following its decision to concentrate on gold mining. The company remains involved in the Philippine gold mining industry.

The Canadian group said its decision to hand back its stake would not affect its commitment to cleaning the river. It would continue to fund a government environmental fund dealing with the claims. Less than 30 per cent of the waste remained in the river or on its banks, it said.

The international trade association of the Philippine mining industry is negotiating with the department of environment for a new fiscal regime to revive the stagnating sector and pave the way for new exploratory licenses for international groups.

Earlier this month, foreign mining groups warned that the government proposal for an additional 15 per cent levy on profits might make the country uncompetitive.

The granting of exploratory licenses has been put on hold since the Marcopper accident.

Pan Am World Airways to merge with Florida airline

By Richard Tomkins in New York

Pan American World Airways, the reincarnation of the US airline that went bankrupt in 1991, is embarking on a big expansion by merging with the Florida-based Carnival Air Lines, a privately held airline that carries mainly leisure travellers. The deal revives a plan the two drew up last July, but which subsequently fell apart.

Pan American began operating as a new entity independent of the old Pan Am last September. It has been flying four Airbus A-300 aircraft, offering cut-price travel on a network of routes spanning New York, Los Angeles, Miami, Chicago and San Juan in Puerto Rico. In contrast, Carnival Air Lines has a fleet of 27 aircraft, including nine A-300s, flying between south Florida, the north-east, California and the Caribbean.

Carnival Air Lines is owned by Florida billionaire Mr Micky Arison, who said it had lost money after the crash of a ValuJet Airlines aircraft last year. The crash put passengers off airlines with little-known names. Mr Arison is swapping his Carnival Air Lines holding for a 42 per cent stake in Pan Am, and will make a $30m capital investment in the company. Separately, Pan Am plans to raise $30m with an issue of convertible preferred stock.

Wharf earnings below forecasts

By Louise Lucas in Hong Kong

Wharf (Holdings), the Hong Kong property and infrastructure conglomerate, disappointed the market with a 35 per cent drop in net earnings to HK$2.74bn (US$354m) last year from HK$3.6bn. Stripping out 1995 exceptional items of HK$1.51bn, profits rose 25.4 per cent to HK$1.85bn.

Core earnings were below forecasts, and a number of analysts revised downwards their expectations for this year. The biggest discrepancies came from lower than expected property sales, which totalled an estimated HK$300m last year, and sharply higher losses at the cable TV arm. Wharf Cable lost about HK$550m before interest expenses.

Wharf also suffered a blow in its port interests. Modern Terminals Limited (MTL), which was consolidated into the group last May after Wharf lifted its stake to 50.8 per cent, lost a big customer, Hyundai, after the Korean shipping group joined an alliance served by a different Hong Kong port.

Hyundai had accounted for 12 per cent of MTL's throughput, but organic growth saw the total throughput decline more modestly, from 3.11m teus (20ft equivalent units) at the end of 1995 to just over 2m teus at the end of last year.

Mr Gonzaga Li, chairman and chief executive of Wharf, said the numbers demonstrated Wharf's success in strengthening its earnings base.

"Double-digit growth of that magnitude in the challenging environment experienced in 1996 is more than satisfactory," he said.

Earnings per share fell 26 per cent to HK$1.23 last year. Stripping out exceptional items, earnings rose 23 per cent to HK$1.18. A final dividend of HK$0.84 is proposed, 3.7 per cent up on 1995's HK$0.81.

THE WEEK AHEAD

DIVIDEND & INTEREST PAYMENTS

■ TODAY

Adelaide Bank FRN 1998 $14.90
All Nippon Airways 6.35% Nts 2000 Y635000.0
Asian Dev Bank 10¼% Ln 2009 £256.25
Birmingham Midshires Bldg Scty FRN 2005 £32666.78
Boots 10⅛% Bd 2017 £2531.25
British Land 8⅞% 1st Mtg Db 2035 4.4375p
Commercial Loans on Inv Prop (No 1) Class A Comm Mtg Bckd FRN 2009 £123.75
Do Class M1 £188.31
Do Class M2 £193.30
Do Class B £266.85
Eksportfinans Sb FRN 2002 $28.79
Ford Credit Europe FRN 2001 £16.46
Furukawa Elec FRN Mar 1998 Y17578.0
Do Jun 1998 Y17578.0
Glory 5.6% Bd 2000 Y560000.0
Greenalls 11½% Db 2014 £5.75
Do 7% Cv Sb Bd 2003 3.5p
Guaranteed O'seas Loan Fin (No 1) Sec FRN 2007 £2784.53
Int Bank for Rec & Dev 9½% Ln 2010 £4.75
Leumi Int Invs Gtd FRN 1997 $309.65
Midland Bank Und Prim Cap FRN (Sep 1985) $306.49
Mountview Estates 12p
NSK 2.8% Bd 1998 Y280000.0, Do 3.1% Bd 1998 Y310000.0
Ramsdens (Harry) 4p
SGW Fin Gtd FRN 1998 £16.67
Severn Trent 11⅝% Bd 2001 £581.25
Sidlaw 7½% Un Ln 2003/08 £3.75
Spain 11¾% Ln 2010 £293.75
Standard Chartered Und Prim Cap FRN £82.45
Toda Dual Basis Nts 1998 Y3000000.0
Treasury 2½% IL 2001 £2.4336
Woolwich Bldg Scty FRN 1999 £164.0

■ TOMORROW

ABF Invs 5½% Un Ln 1987/2002 1.375p
Do 7½% Un Ln 1987/2002 1.875p
BG Bank Sb FRN 2000 $3495.09
British Land 8⅞% Bd 2023 £443.75
Cable & Wireless Int Fin 8⅝% Gtd Bd 2019 £862.50
Charlwood Alliance 7½% Un Ln 1.875p
Daiwa Und Gtd Sb FRN Y1438082.0
East Midlands Elec 12% Bd 2016 £1200.0
Fleming Worldwide Inc Inv Tst 1p
Do Units 1p
Fuji Bank Int Fin Perp Sb FRN Y143808.0, Do Und Sb Gtd Var Rate Nts Y20854.0
HIH Cap 7½% Cv Cap Bd 2006 £187.50
Hyder 10¾% Bd 2002 £537.50
Japan Airport Terminal 6.4% Bd 1999 Y640000.0
Kvaerner 8% Un Ln 1994/99 £4.0
Do 9½% Un Ln 2000/05 £4.75
MTBC Fin (Aruba) Gtd Sb FRN 2002 $3230.35
Manchester 3% Rd £0.75
Marston Thompson & Evershed 10¼% Db 2012 £5.125
Metrolpolitan Water Board Chelsea Water 2¾% Db 1897 £1.375
New Zealand 11½% 2014 £287.50
Northern Elec 12.661% Bd 1999 £633.05
Northern Rock Bldg Scty 10⅜% Sb Bd 2018 £1037.50
Railtrack 9⅛% Bd 2006 £88.97
Do 9⅝% Bd 2016 £93.84
Royal Insurance 9⅝% Sb Bd 2003 £96.25
Sabre Int (No 2) Ser P Var Rate Nts 1998 Y17837.0
Svensk Exportkredit 8% Nts 2003 £800.0
Tendring Hundred Water 4½% Rd Db £2.25
Tokyu Land 5.3% Bd 1998 Y530000.0
Treasury 8% 2009 £4.0
Wynnstay Prop 8¼% Cv Ln 1992/97 £4.007
Yorkshire Elec 15.8p

■ WEDNESDAY MARCH 26

BG 10⅞% Bd 2001 £108.75
British Land 6% Sb Irrd Cv Bd £30.0
British Telecom 8⅝% Bd 2020 £86.25
Daily Mail & Gen Tst 5¾% Exch Bd 2003 £28.75
Exchequer 12¼% 1999 £6.125
Finland 9¾% Nts 1997 £97.50
Finsbury Undrwrting Inv Tst 0.8p
Isetan 6.4% Nts 1997 Y640000.0
Ishihara Sangyo Kaisha 5.35% Bd 1998 Y535000.0
Do 5.7% Bd 2003 Y570000.0
Ivory & Sime Optm Inc Tst 5p
Kajima 6.35% Bd 1997 Y635000.0
Lawrence 1.65p
Marubeni America Var Rate Nts 1997 Y5000000.0
National Grid 7⅝% Bd 1998 £737.50
National Power 10⅝% Bd 2001 £1062.50
NT & T 6⅞% Nts 1997 $68.75
North British Housing Assoc 8⅝% Gtd Sec 2016/20 £4.3125
Oxford Instruments 2.1p
Powergen 8⅞% Bd 2003 £887.50
Salvesen (C) 34p
Treasury 13½% 2004/08 £6.75
Vaux 9⅞% Db 2015 £4.9375
Do 10¾% Db 2019 £5.375
Do 11¾% Db 2010 £5.875

■ THURSDAY MARCH 27

Abbey National First Cap Sb Gtd FRN 2002 $27.81
Do Sb Clird FRN 2004 C$31.61
Acres (No 1) Class A Comm Mtg Bckd FRN 2005 £61.79
Do Class M1 £176.38
Do Class M2 £185.92
Do (No 2) Class A Mtg Bckd FRN 2007 £154.27
Do Class M1 £165.66
Do Class M2 £175.19
Anglo Fin No 1 Mezz Sec FRN 2001 £1057.96
Do No 2 Snr FRN 2004 £76.13
Do Mezz Sec FRN 2004 £1395.96
Barings Gtd FRN 2001 $14.42
Bass 10⅝% Db 2016 £5.1875
Do 4½% Un Ln 1992/97 £2.25
Britannia Bldg Scty FRN 1997 £158.76
British Airways Cap 9¾% Cv Cap Bd 2005 4.861644p
British Assets Tst 4½% Pf 1.575p
Do 5% A Pf 1.75p
Cable & Wireless Int Fin 10⅝% Gtd Bd 2002 £1037.50
Cheshire Bldg Scty Fltg Rate Perm Int Brg £41.04
Compass 5.85p
Compco 0.5p
Concurrent Tech A Non-Rd Cm Pf 49.86p
Do B 49.86p
Do Cm Rd Pf 87.49p
Do Cm Cv Rd Pf 87.49p
Conrad Ritblat 1.98p
Courtaulds 7¾% Un Ln 2000/05 £3.875
Craegmoor Fin Class A Sec FRN 2008 £1848.11
Do Class B £1901.26
Do Class C £2047.43
Daiwa O'seas Fin Gtd Fxd/FRN 2002 $9250.0
Dunnyat Inv Tst 0.5p
English & Scottish Investors 2.05p
Do B 0.010938p
Do 3¾% Cm Pf £1.875
Eve 1.5p
Ewart 0.7p
Filofax 1.5p
Fin Rcvbls for Sec Transactions Mezz Asset-Bckd FRN 2010 £1937.93, Do Snr Asset-Bckd FRN 2010 £806.62
Fleming O'seas Inv Tst 1.5p
F & C Inc Growth Inv Tst 0.8p
Fujita FRN 1997 Y231282.0
GEC 3.26p
GUS 5.5p
Gartmore Micro Index Tst 1p
Gartmore Shared Equity Tst
Geared Inc 2.475p
Gencor R0.085
Grosvenor Inns 3.025p
Halifax Bldg Scty Sb Var Rate Nts £170.14
Heath (Samuel) 3p
Hewetson 0.85p
Homer Fin (No 3) Class A2 Mtg Bckd FRN 2036 £148.25
Do Class A3 £161.91
Do Mezz £175.46
Housing Fin 5% Db 2027 £2.50, Do 7% Db 2009 £3.50, Do 7% Db 2009 (Ser 2) £3.50
Indian Rlwy Fin FRN 2003 $341.17
Investors Capital Tst 7¼% Db 1992/97 £3.625
Irish Contl IR3.6p
Ivory & Sime Enterprise Cap Stppd Rate Cv Un Ln 2000 £2.75
Jupiter Geared Cap & Inc Tst 1999 1.6p
Lloyds TSB Perp FRN £167.89
London Cremation 10% Cm Pf 3.5p
Mansfield Brewery 11½% Db 2010 £5.75
Marubeni Int Fin 6.4% Ser C Bd 1998 Y6400000.0
McKay Sec 2.3p
Mersey Docks & Harbour 6¾% Rd Db 1996/99 £3.375
Nat West Smaller Co's Inv Tst 1.125p
NHL (3) Class A2 Dfd Int Mtg Bckd FRN 2036 £132.61
Do Mezz £175.46
Northern Foods 3.6p
Northern Ireland Elec 5.5p
Parma Food Jnr Asset-Bckd FRN 2000 L1911111.0
Do Snr Asset-Bckd FRN 2000 $1401.61
Primadona 2.5p
Ragby Gtd FRN Oct 1997 $4228.13
Residential Prop Sec No 3 Class A2 Mtg Bckd FRN 2025 £1422.62
Do Class B £1907.11
Rights & Issues Inv Tst 0.65p
Do Inc 9.5p
Royal Bank of Canada Fltg Rate Db 2005 $40.78
Schroder Split Fd 2.2p
Scottish Life Assurance 7½% Un Ln 1997/2002 £3.5625
Shires Inc 11% Cv Un Ln 2003/04 £5.50
Shires Smaller Co's 2.025p
Somerfield 3.4p
Southern Elec 10¼% Bd 2002 £1025.0
Stars 1 Class A Fltg Rate Mtg Sec 2029 £96.21
THFC (Indexed) 5.65% IL 2020 £3.2204
TMC Mtg Sec No 1 Mtg Bckd FRN 2014 £12.65
Thames Asset Global Sec No 1 Class A1 Asset-Bckd FRN 2037 £1289.94
Tokai Bank Nederland Fxd/FRN 2002 $9000.0
Treasury 6% 2013 £4.0
Updown Inv 18p
Wells Fargo Sb FRN 2000 $41.25
Westland 12⅝% Db 2008 £6.1875
Wilkinson & Riddell 5% Cm Pf 2.5p
Woolwich Bldg Scty FRN 1997 £158.67
Yasuda Tst Asia Pacific Gtd Amtsd Cap FRN 2004 $1472.66

■ FRIDAY MARCH 28

CALA 1.3p
Dawson 28p
Finsbury Growth Tst 5% Pf 2.5p
Formosa Fd TW$50.0
Do Units TW$5000.0
Do IDR TW$5000.0
London Elec 8% Bd 2003 £80.0
Mazda Motor 4.05% Bd 2002 Y405000.0
NationsBank $0.33
Nationwide Bldg Scty 11¼% Nts 1997 £562.50
Throgmorton Tst 1.4p
Tops Estates 0.705p

■ SATURDAY MARCH 29

Nottingham Water Anns (£3.50) £1.75
Do (£1.35) £0.675

■ SUNDAY MARCH 30

Treasury 15½% Ln 1998 £7.75
Treasury 7¼% 1998 £3.625

UK COMPANIES

■ TODAY

COMPANY MEETINGS:
JKX Oil & Gas, 32, St. Mary at Hill, E.C., 10.00
St. David's Inv Tst, Queens Chamber, 2, North Street, Newport, 12.15
Temple Bar Inv Tst, 18, St. Mary at Hill, E.C., 11.00
BOARD MEETINGS:
Finals:
Amey
Blue Circle
Brammer
Capital & Regional Properties
Datrontech
EBC
Fired Earth
Forth Ports
Global
How
Inchcape
Jacobs
Kingspan
Mansfield (John)
Morgan Crucible
Newport
Omnicare
PPL Therapeutics
Plasmec
Scruttons
Seafield Res
Serif
Severfield-Reeve
Sharpe & Fisher
Sherwood
T & S Stores
Transtec
Travis Perkins
Ulster TV
VCI
Waterford Wedgwood
Interims:
GR
Northern Leisure
Prolific Income

■ TOMORROW

COMPANY MEETINGS:
Allied Textile, Forte Posthouse Hotel, Clifton, Brighouse, W. Yorks., 12.00
Burlington, Honourable Artillery Co., Armoury House, City Road, E.C., 11.30
Continental Assets Tst, 1, Charlotte Square, Edinburgh, 12.30
Eurocamp, Bridge Hotel, Prestbury, Cheshire, 2.30
Gardiner, Coopers & Lybrand, Minshull Street, Manchester, 10.30
Hanson, Royal Lancaster Hotel, Lancaster Terrace, W., 11.00
London Fin & Inv, Honourable Artillery Co., Armoury House, City Road, E.C., 12.00
Nightfreight, Tranmere Rovers FC, Prenton Park, Wirrall, 12.00
Seacon, 38, West Ferry Road, E., 12.00
BOARD MEETINGS:
Finals:
Arcolectric
Baird (Wm)
Booker
Bostrom
Capital Inds
Cattles
Crean (James)
FBD
Fleming Mercantile
Hamleys
Hodder Headline
Holders Tech
Hunting
Kingsbury
London & Manchester
London Sec
Macfarlane
McAlpine (A)
Meristem
New Ireland
P & O
Quality Software
Roskel
Rutland Tst
SIG
Scholl
Scotia
Singer & Friedlander
Sun Life & Provincial
Taylor Woodrow
Tudor
Vero
Whatman
Interims:
Allied London Props
Burn Stewart Distilleries
Frogmore Estates
Kier
Lendu
Scottish Metrolpolitan Prop

■ WEDNESDAY MARCH 26

COMPANY MEETINGS:
Bullough, Project Office Furniture, 26, Euston Road, N.W., 10.00
CCL, 1, Portland Place, W., 11.30
Concurrent Technologies, 4, Gilberd Court, Newcomen Way, Colchester, 4.30
Dominick Hunter, Mint House, 77, Mansell Street, E., 10.00
First Choice Holidays, Farmers & Fletchers Hall, 3, Cloth Street, E.C., 10.30
Hanover Int, 100, Liverpool Street, E.C., 11.00
Lonrho, Paragon Hotel, 47, Lillie Road, S.W., 11.00
Scottish American Inv, 45, Charlotte Square, Edinburgh, 12.00
Updown Inv, 12, Tokenhouse Yard, E.C., 11.45
Visual Action, Adelaide House, London Bridge, E.C., 10.30
BOARD MEETINGS:
Finals:
Avonside
Bailey (Ben) Construction
Biocompatibles
Black (A & C)
Brake Bros
Bridon
British Fittings
Caradon
Clinton Cards
Croda
Dawsongroup
Fulmer
Garton Eng
Healthcall
Johnston Grp
Maiden
Next
Nichols (JN)(Vimto)
Quicks
Ruberoid
Russell (A)
Swan Hill
TLS
UK Safety
Unicorn
Wolstenholme Rink
Interims:
Barratt Devs
City Technology
Dominion Energy
Gleeson (MJ)
McKechnie
Provend
Thorpe (FW)

■ THURSDAY MARCH 27

COMPANY MEETINGS:
Baring Tribune Inv Tst, 155, Bishopsgate, E.C., 12.00
Greenfriar Inv, 3, Finsbury Avenue, E.C., 2.15
Kleinwort Charter Inv Tst, 10, Fenchurch Street, E.C., 12.30
Rushmere Wynne, 4-5, Harmill, Grovebury Road, Leighton Buzzard, 11.00
Throgmorton Tst, 155, Bishopsgate, E.C., 12.00
BOARD MEETINGS:
Finals:
Brockbank
Hepworth
MTL Instruments
Meltek
Norcor
Redland
Slough Estates
Interims:
Baillie Gifford Japan
DCS
F & C US Smaller Co's
Gardiner
Trafford Park Estates

Company meetings are annual general meetings unless otherwise stated.
Please note: Reports and accounts are not normally available until approximately six weeks after the board meeting to approve the preliminary results.
This list is not necessarily comprehensive since companies are no longer obliged to notify the Stock Exchange of imminent announcements.

Parmalat to acquire Beatrice Foods

By Paul Betts in Milan

Parmalat, the Italian dairy products group, has stepped up its aggressive international expansion strategy with the C$290m (US$210.2m) acquisition of Beatrice Foods of Canada.

Under the deal, announced in Milan late on Friday, the Italian company will purchase a 75.1 per cent controlling stake worth C$230m in the Canadian group. Citicorp, the New York bank which has been advising Parmalat, will acquire the remaining 24.9 per cent.

Parmalat is acquiring control from three investment funds – Credit Suisse First Boston, Kermet Zurich and Cerberus. Citicorp said its participation in the acquisition was a financial operation. The bank is eventually expected to dispose of its stake, probably by floating its shares on the market.

Apart from boosting Parmalat's already extensive international activities, the deal marks a new chapter in the checkered history of Beatrice Foods in the last decade.

In 1986, KKR, the group led by Mr Henry Kravis, the Wall Street corporate raider, launched a $6.2bn leveraged buy-out of the company. KKR sold off many of the component parts of Beatrice Foods, including the Avis rent-a-car business.

After the asset-stripping, Beatrice Foods was left with only its food business, which KKR sold in 1990. The following year Beatrice was the target of another leveraged buy-out orchestrated by Merrill Lynch, the US investment bank. It then underwent a series of restructuring and recapitalisation programmes, the latest only last year.

Parmalat has been expanding through acquisitions in Latin America and eastern Europe, and in the US with its purchase four years ago of Atlanta Dairies. However, Mr Calisto Tanzi, Parmalat's chairman, said the Beatrice Foods acquisition was one of the most significant the Italian company had undertaken.

Parmalat, which also reported a 27 per cent rise in 1996 sales to L5,465bn ($3.24bn), said sales this year would total more than L7,200bn with the Beatrice Foods acquisition. The company's gross operating margin rose 22 per cent to L630bn in 1996, while its net operating margin climbed 27 per cent to L470bn. Cash-flow increased 16 per cent to L370bn.

Beatrice Foods, which has 20 plants in Canada and three in the US, had sales of C$921m last year. After its latest restructuring, it made an operating profit of around C$50m last year before debt interest charges.

Mr Tanzi also said the Italian football team Parma, which he controls, was considering a listing on the London stock market along with a number of other Italian football clubs. Parma is currently second in the Italian first division.

CSFB moves into hi-tech financing

By Lisa Bransten in New York

Credit Suisse First Boston entered the lucrative world of high technology financing on Friday by taking a 25 per cent stake in Volpe Brown Whelan, a specialised San Francisco investment bank.

Through the deal CSFB, which is part of Switzerland's Credit Suisse, joins Union Bank of Switzerland and Germany's Deutsche Morgan Grenfell in the scramble to capture a share of one of the fastest-growing sectors in corporate finance and advisory services. Its investment was just over $25m.

Until the mid-1990s, banking for small, rapidly developing high-tech and healthcare companies – a large number of which are based in Silicon Valley – was the province of local specialist investment banks such as Montgomery Securities, Robertson Stephens, and Hambrecht & Quist. Volpe, which until Friday was known as Volpe Welty, is a smaller competitor in that market.

As technology companies have become more important in the securities industry, larger firms from both the US and Europe have joined the battle to finance them.

Last year, technology companies accounted for almost a third of initial public offerings and 22 per cent of merger and acquisition activity, according to Securities Data, which tracks the securities industry.

In forming an alliance with a San Francisco company rather than hiring local talent, CSFB took a different approach from DMG and UBS.

UBS began assembling a technology group in California largely by raiding talent from other specialist banks in the region, while DMG staged one of the biggest assaults on the field last April, when it hired Mr Frank Quattrone and two other key figures from Morgan Stanley's high-tech banking group.

The new team appears to be helping DMG make inroads. Last year DMG ranked 21st in high-tech M&A work, but has reached tenth place this year.

Mr Quattrone said there has been an increase in competition as large US and European banks have "decided this looks like a big market [they] can't afford to miss".

Mr Stephen Hester, chief financial officer of CSFB, said the acquisition does not alter plans to build its business in growth companies internally. There are no plans to take a larger stake in the company, "but neither of us has ruled it out", he said.

Mr Tom Volpe, president and chief executive of Volpe, said the deal was important because the company's clients needed products, such as high yield and convertible debt, that Volpe did not yet offer.

The deal will also give Volpe's smaller clients access to potential partners in Europe.

BHP reports 69% advance

By Nikki Tait in Sydney

Stronger oil prices and rising copper production helped Broken Hill Proprietary, the Australian resources group, to report third-quarter earnings, to end-February, up 69.5 per cent at A$378m (US$297m) after tax.

However, the nine-month total, including abnormal items, was up only 6.3 per cent over the same period of 1995-96, at A$1.17bn. Excluding abnormals, the nine-month profit was A$1.06bn, a 2.6 per cent rise.

Analysts were expecting a significant recovery in the third-quarter figures, with estimates of about A$350m, so the result caused little excitement. BHP shares, which had been trading at around A$17.33 before the announcement, ended Friday just three cents higher, at A$17.16.

The strongest third-quarter performance came from BHP's petroleum division, which doubled profits to A$246m, on revenues of A$1.16bn, compared with A$1.07bn.

The group attributed the result to higher oil prices. The average realised price stood at A$31.36 a barrel in the third quarter, up from A$26.30 in the same period a year earlier. There was also a A$16m contribution from the sale of US assets and a lower tax charge. However, BHP also noted that oil prices had peaked in January and had since declined.

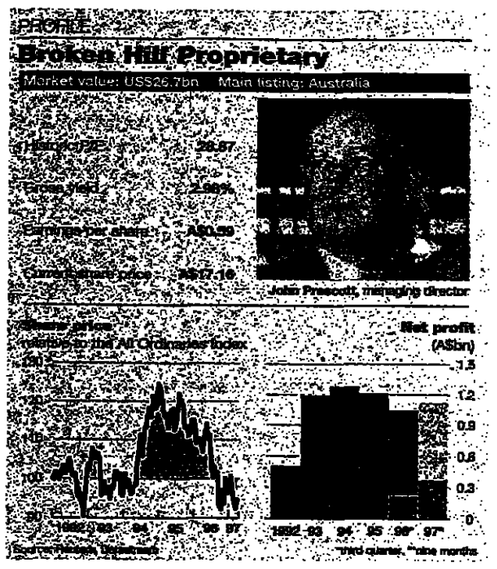
The copper unit – which now takes in the Magma business in the US – posted third-quarter profits of A$145m, up 64.8 per cent on last year, on revenues of A$971m. The division benefited from higher production and lower unit costs at the Escondida project in Chile and at Papua New Guinea's Ok Tedi mine. It also enjoyed higher realised copper prices.

The group warned that results from its North American and metals divisions remained "unsatisfactory". It said cost-cutting moves were "in place", but that modifying the development programme at the giant San Manuel complex in Arizona would take "some months".

On the minerals side, profits were flat at A$105m, with higher costs in the coal and iron ore operations. Revenues were A$1.23bn, against A$1.19bn.

The steel division saw profits of A$72m, compared with A$44m, on revenues of A$1.87bn.

Earnings per share in the quarter were up 65.9 per cent to 22.9 cents. The nine-month total increased 4.1 per cent to 71.4 cents.



Amazon.Com set for IPO

By Lisa Bransten in New York

Amazon.Com, the Internet bookseller, is expected to register this week to sell its shares to the public in what would be the first big stockmarket test of an Internet retailer.

Although a few other Internet retailers have filed to offer shares, none has the profile of Amazon, which bills itself as the world's largest bookstore.

Internet retailing remains small, but Amazon is considered one of its pioneers. Analysts at Forrester Research estimate that electronic retailing generated about $536m in revenues last year and that annual revenues could grow to $7bn by 2000.

Mr William Bluestein, group director of new media research at Forrester, says Amazon has revenues of $15m to $20m. The company reportedly turns a profit, which remains rare among pure Internet companies.

The company offers 2.5m titles even though it keeps a stock of only several hundred thousand best sellers. "If it's in print, it's in stock," Amazon claims on its website.

Amazon was founded in Seattle in 1995 by Mr Jeffrey Bezos, a former Wall Street investment banker, and quickly built a reputation as one of the smartest users of Internet technology.

Any offering is likely to generate interest because of Amazon's name recognition, but the IPO comes at a difficult time, as technology shares have been hit hard by recent stock market turbulence. The Pacific Stock Exchange technology index is almost 1 per cent below the high it reached in mid-February.

The company also faces competition. Barnes & Noble, the biggest US book retailer, last week announced plans to offer books through America Online.

INTERNATIONAL NEWS DIGEST

Venezuelan media group expands

Venezuela's Cisneros Group, the media and consumer products conglomerate, is to take over Argentina's Imagen Satelital, South America's largest subscriber television company, accelerating its expansion into Latin America. Cisneros will acquire Imagen Satelital for "an amount in excess of $100m", a source said, adding that there were more acquisitions of North and South American media companies in the pipeline.

The deal would give Cisneros a foothold in the region's most developed cable TV market and increase its control of TV programming material. Imagen Satelital, whose principal shareholder is Mr Alberto Gonzalez, has more than 9m customers. Argentina has a 45 per cent cable TV market penetration, the highest in Latin America along with Mexico. The Cisneros Group is to pay cash but is in talks with international investment banks to refinance the acquisition later. *Raymond Colitt, Caracas*

AEX shares priced today

Shares in Amsterdam Exchanges are being priced today, placing a value on a stock market itself rather than on its listed companies. AEX, owner of the 25-share index of the same name and operator of the Dutch trading floors for equities, bonds, options and futures, is selling half its equity to institutional investors and those quoted on its boards, after becoming a limited company in January.

Difficulties in assessing the worth of the issue were highlighted last week when ABN-Amro Rothschild, co-ordinator of the offer, roughly doubled the indicative price range. The new level implies a maximum value for AEX of Fl 320m ($169m), while on the original basis it could have carried a tag of just Fl 140m. The increase in the asking price followed dissatisfaction from member companies in the associations which previously controlled the Dutch markets. *Gordon Cramb, Amsterdam*

French groups finalise merger

Suez and Lyonnaise des Eaux are finalising proposals for a merger of the two French groups which are due to be presented to their respective board meetings at the start of next week. The operation would end Suez's history as a diversified holding company and lead to the creation of a single group focused on utilities.

Individuals close to the negotiations said the deal was far from certain, with disagreements over the terms of the merger would take place and concern over the reaction of leading investors. The project is expected to be discussed at Suez on April 1 and at Lyonnaise des Eaux on April 2, ahead of publication of their results. *Andrew Jack, Paris*

Bre-X Minerals shares fall

Shares in Bre-X Minerals, the Canadian company which claims to have discovered the world's largest gold deposit in the Indonesian jungle, plunged to a 52-week low on Friday after doubts were raised about the size of exploitable reserves. Bre-X shares fell C$2.25 to C$15.20 following an Indonesian newspaper report that the Busang deposit on the island of Borneo contained less than the estimated 71m ounces of gold.

Last Wednesday, Bre-X's chief geologist, Mr Michael de Guzman, disappeared during a helicopter flight to Busang. Police said he had opened the door and jumped, after leaving a suicide note. After the week's double blow to Bre-X, Mr Rick Cohen, analyst with Toronto brokerage Goepel Shields, told Reuters: "I've concluded the only person who could ever make a movie out of this is Alfred Hitchcock. It's become so bizarre that people have lost any tolerance for staying in [the shares]." *Clay Harris*

UK side boosts Aegon

Aegon, the Dutch insurer, announced net profits for 1996 had risen 18.5 per cent to Fl 1.57bn ($829m), with its UK operation, Scottish Equitable, performing particularly well. Aegon, which derives nearly 80 per cent of its profits from life insurance, reported net earnings per share of Fl 5.93, up 15.9 per cent in terms of autonomous growth, and proposed a dividend of Fl 2.79. Despite a "war chest" of roughly Fl 1bn, Mr Kees Storm, chairman, said his company would focus on boosting autonomous growth and on operations in the Netherlands, the US, Britain, Hungary and Spain. *Gordon Cramb*

FINANCIAL TIMES
MARKETS
THIS WEEK

Global Investor / Philip Coggan

Bet on chicken entrails

The history of stock market forecasts reveals that investors might just as well have used chicken entrails as Elliott waves or the analysis of economic fundamentals. But if it is difficult to make successful forecasts, at least it is possible to examine the assumptions on which predictions are based. Henry Townsend, a Washington-based economist who used to work for the Bureau of Economic Affairs, has produced a paper on the subject.*

He breaks down total return into six components: the annual growth in real gross domestic product; inflation; the growth of dividends per share relative to GDP; the effect of reinvested dividends; the effect of changes in yield; and a residual. He looked at the history of the US stock market to see how those factors contributed to total return. Over the period 1929-96, GDP growth and inflation are obviously important but dividend reinvestment was the single most important factor, with a geometric average of 4.4 per cent.

However, over the period 1987-96, all three factors were swamped by the effect of lower dividend yields, which has offered a geometric average return of 6.5 per cent per year.

In other words, the main factor behind the rise in the market has been its continued re-rating by investors. This bears some similarity with the Tokyo stock market in the 1980s, when the main propellant was not superior earnings growth but investor's willingness to give a higher rating to those earnings.

"While dividend growth should go on forever as a source of total return, sooner or later dividend yields must stop falling; there must be some limit to how low they can go" writes Townsend.

As an example, he cites the assumption of the US advisory panel on the future of Social Security that stocks can achieve a 7 per cent real return. Look at the planning horizon for Social Security of 75 years, take the figures for the residual and the growth in dividends relative to GDP at their recent averages, and assume, like the panel, a real GDP growth rate of 1.5 per cent per annum. The implication, at the end of the 75 year period, is that the dividend yield would be less than 0.1 per cent. Pretty implausible.

The formula can be useful over much shorter periods. Townsend uses the concept of "reversion to mean" saying that when price/earnings ratios are high and dividend yields low, as they are today, there seems to be a tendency for prices to revert to more normal valuation levels.

If one assumes 2 per cent GDP growth, 3 per cent inflation and 0.3 per cent per annum in dividends relative to GDP over the next 10 years, then dividends will grow by a cumulative 69 per cent over the period.

On the modest assumption that the dividend yield rises to 2.5 per cent by the end of 2006, then the S&P 500 index will be only 36 per cent higher at the end of the 10 year period than its end-1996 level. If the yield were to rise to as high as 4.2 per cent (far from ridiculous in historical terms), then the S&P 500 would be 19 per cent *lower* in 2006 than its end-1996 level.

One can also use the formula to examine the hopes of mutual fund investors, seen by some as one of the prime sources of support for the long US bull market. An opinion poll found 86 per cent thought annual returns from the stock market over the next 10 years would be 14 per cent or better.

Using assumptions of 1.5 per cent growth and 3 per cent inflation, the dividend yield on the market after 10 years if investors' expectations are fulfilled will be just 1 per cent. Bulls have been telling us for some time that dividend yields do not matter to US investors; it seems there will be plenty of opportunity to test their theory.

Of course, GDP growth could be somewhat higher than the above 1.5 per cent assumption. But Townsend points out that, if dividend yields were to rise to a more normal 3.6 per cent level in 10 years time, GDP growth would have to average 7.1 per cent annum for mutual fund investors' hopes to be realised.

In short, one has to make some pretty heroic assumptions if one is to believe that the US stock market can continue its recent progress. The fall may come within months or years, only geniuses or fools would risk forecasting the timing. But the odds of a decline are increasing all the time.

Factors of total return

Historical averages (%)

	29-96	47-96	47-56	57-66	67-76	77-86	87-96	88-96
TRdot	10.2	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RRdot	6.5	8.2	14.4	7.1	0.9	7.3	11.7	12.8
GDP	3.6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pdot	3.5	4.1	3.8	2.0	5.6	6.1	3.1	3.2
Yield	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RD	4.4	4.0	5.4	3.3	3.5	4.5	2.9	3.2
DYD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rwld	0.2	0.2	0.4	0.1	0	0.3	0.1	0.2

TRdot=Total annual return
RRdot=Real annual return
Gdot=Annual GDP growth
Pdot=Annual inflation
RD=Dividend reinvestment
DYD=Changes in yield
Rwld=Residual
Source: Henry Townsend
Partial sums not be equal to their products due to rounding

Total return in local currency to 20/03/97

	1M	3M	6M	12M	3Y	5Y
Cash						
Week	0.10	0.09	0.08	0.08	0.14	0.10
Month	0.45	0.39	0.37	0.35	0.53	0.51
Year	5.75	5.57	5.51	5.42	5.55	5.38
Bonds 3-5 year						
Week	-0.84	-0.93	-0.97	-0.98	-0.95	-1.07
Month	-1.38	0.02	-1.16	-1.28	-1.37	-1.34
Year	4.78	5.82	7.07	9.29	17.24	7.66
Bonds 7-10 year						
Week	-0.91	-0.08	-1.46	-1.59	-0.92	-1.60
Month	-2.43	1.14	-2.84	-2.90	-3.59	-2.57
Year	4.17	9.56	10.80	13.54	25.57	16.87
Equities						
Week	-0.3	2.6	-2.4	-4.9	-1.8	-6.1
Month	-2.8	-1.0	-1.2	-4.8	-0.6	-1.9
Year	20.3	19.0	19.4	19.6	26.1	13.7

Source: Cash & Bonds - Lehman Brothers. Equities - FTSE International Limited. The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman Sachs & Co., and Standard & Poor's.

Few surprises are expected from the results, with the market seen focusing more on the launch of products and strategy rather than on figures.

Mr Albert Pauchard, at Coutts, expects Roche to report net profit of SFr4.01bn and said prospects for the current year and beyond appear "very favourable" on promising pharmaceutical products in the pipeline.

He said: "We expect Roche to record substantial increases in earnings over the next three years. A considerable growth potential will come from new drug products, with margin improvements in the vitamins and fine chemicals and in the diagnostic division seen lifting its sales margin in the long-term." He forecasts net profit to total SFr4.61bn on sales of SFr17.973bn.

Mr Romain Pasche at Union Bancaire Privee agrees, saying the company should profit from cost-cutting measures and higher sales potential from new pharmaceuticals products.

■ Fortis, the Belgian-Dutch insurance group, is expected to report on Wednesday net profit of Ecu720m-Ecu725m ($826m) for last year, up from Ecu631m.

Earnings per share at Fortis Amev, the Dutch parent company, are forecast to rise to Fl 4.35 from Fl 3.85 while at Fortis AG, the Belgian parent company, profits are expected to be BFr13bn-BFr13.2bn ($376m), against BFr11.17bn.

In its November statement, Fortis said it expected its full-year profit to rise by between 12 and 15 per cent, while the two parent companies both expected an increase in earnings per share of at least 10 per cent.

Analysts at Bank Bangert Pontier are forecasting Fortis' net profit at Ecu725m, with Fortis Amev reporting earnings per share of Fl 4.35 and raising its dividend to Fl 1.90 from Fl 1.68.

Ms Margot van der Velden at ABN Amro Hoare Govett forecasts Fortis net profit at Ecu720m, with Fortis Amev's net profit up at Fl 792m or Fl 4.35 per share and its dividend pay-out up at Fl 1.85.

She expects pre-tax insurance profit to rise 19 per cent to Ecu810m, with technical results for life business up 20 per cent at Ecu406m, accident and health down 8 per cent at Ecu22m and general insurance up 44 per cent at Ecu84m.

Firm domestic markets will lead to strong life results, while low accident and health results will be the result of further provisioning in the Netherlands in the fourth quarter following Ecu20m in third-quarter restructuring charges, Ms van der Velden said.

■ Nutricia, the Dutch food group, is expected on Wednesday to report net profits of Fl 230.5m-Fl 237m ($124m), up from Fl 151.8m, with earnings of Fl 9.60-Fl 9.90 per share, up from Fl 6.85. Analysts expect Nutricia to raise its full-year dividend to Fl 2.95 or Fl 3.10, from Fl 2.10.

■ Figures from P&O, the UK-based shipping and transport group, tomorrow are expected to show the bruising effect of intense competition from Eurotunnel to carry cars, trucks and buses between Britain and France.

Full-year profits of £290m are expected, down from £320m in 1995, together with a standstill 30½p dividend. Analysts will also be keen to know how the merger of P&O's container business with that of Nedlloyd, effective in January, will help resolve overcapacity problems that have dogged the industry worldwide.

■ Brokers are looking for Inchcape, the UK-listed international distribution group, to announce pre-tax profits of around £160m, up from £147m, and a dividend of 10.5p, up from 10p. There are also hopes it will announce a further Coca-Cola bottling agreement.

**The sources of Total Return of the Stock Market: A Ten-Year Forecast and a Long-Run Forecast by Henry Townsend, 3319 Q Street, N W Washington DC 20007 or nipna@cpcup.org*

COMPANY RESULTS DUE

Easing of shake-up costs helps Pirelli

Pirelli, the Italian tyres group, is expected on Wednesday to announce a 1996 net profit after minorities of between L298bn ($176m) and L313bn, up from L258bn, with much of the increase in profits stemming from an easing in restructuring charges.

They expect sales to have fallen slightly due to the lira's appreciation and weakening demand for tyres and cables in the second half.

Mr Pio de Gregorio, of NatWest Securities, thinks Pirelli will reveal L297.9bn profit on sales of L10,465bn, with much of the increase from a faster-than-expected fall in restructuring charges and positive earning developments. Mr de Gregorio expects Pirelli will take extraordinary charges of L115bn, with the bulk deriving from the closure of its Nashville tyre plant.

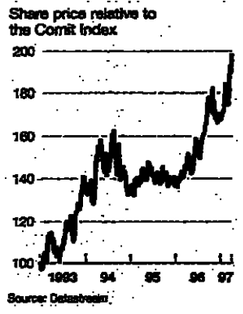
Mr Gianluca Pediconi of Milla & SIM forecasts a profit of L305bn on sales of L10,500bn and agrees with Mr de Gregorio's view of reduced restructuring charges and increased cost savings.

Mr Pediconi said: "We expect Pirelli to maintain its pay-out ratio of 40 per cent which will mean a dividend of L80."

■ Roche Holding, the Swiss pharmaceuticals group is expected to tomorrow report profits of SFr3.9bn ($2.65bn) to SFr4bn, up from SFr3.37bn. The company said in January it expected to have a higher full-year net profit but did not release a more specific forecast.

Pirelli

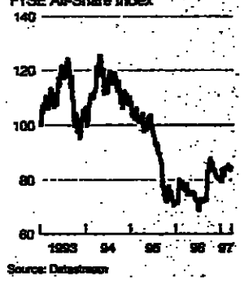
Share price relative to the Comit Index



Source: Datastream

P&O

Share price relative to the FTSE All-Share Index



Source: Datastream

INTERNATIONAL EQUITIES By Tom Burns in Madrid, Sonia Sirletti in London

Bolsa buckled after a fashion

Adolfo Dominguez, the Spanish fashion label famous for its crumpled-looking clothes and slogan "the wrinkle is beautiful," buckled Madrid's Bolsa last week when it floated 5.9m of its shares on the exchange.

Shares in Adolfo Domínguez finally stabilised by the end of the week, after three days of hectic trading that revealed ominous cracks on the market's floor and caused widespread irritation among small domestic savers, who had flocked to the issue of 70 per cent of the company's equity.

The shares rocketed to more than double soon after they started trading on Tuesday, to Pta7,000, despite having been priced at the top of the announced range of Pta2,700-Pta3,100.

They then fell by the maximum 15 per cent permitted in a Bolsa session for two days before settling at about Pta4,800.

"The market got carried away, but it should stabilise at these levels," said Ms Camilla Reeves, European fund manager at Hambros Fund Management. "There are indications of buying interest around the Pta4,500 level."

Analysts attribute the strong volatility in large part to the fact that the issue might have been mispriced at the launch.

"At the issue price, the company was undervalued in comparison with similar companies in other European countries," said Mr Alan Porter, a fund manager at Hill Samuel Asset Management. "Demand was also very strong because of the rarity of growth stocks in the Spanish market."

The experience has taught lessons across the board. Banco Central Hispano, which led the flotation, discovered the dangers of overselling a small cap company in a narrow market such as Madrid's; the Bolsa realised that its electronic trading systems were unable to cope with an avalanche of sell orders.

Above all, small domestic savers, who were offered the bulk of the placement, learnt about the risks associated with equity investments. The issue was oversubscribed by a record 100 times and the extraordinary demand prompted thousands of retail investors to place so-called "buy at best price" orders when the fashion company's stock began to trade. When placing such orders, investors cannot set a limit on the price they are willing to trade at, but commit themselves to paying the available market rate at the time of the transaction.

"People thought the Bolsa was Las Vegas," said one local broker.

After the sharp rise of the first session dealers were swamped with sell orders when the share price reached Pta7,000, and the subsequent stampede to find buyers threatened to block the entire market.

When the price reached Pta5,900 on its way down from the peak, traders reported that as much as 15 per cent of the company was offered for sale at one point.

Market operators believe the main lesson is that the issue of small cap companies requires extreme caution. Such issues are a novelty in Spain and their potential volatility is fuelled by the general lack of sophistication among a swathe of small savers who are investing in the Bolsa for the first time.

"It's obvious we need a sort of book-building system for the retail trade in order to have a clear reference price before trading starts and better systems in the Bolsa," a dealer said. "Another crazy issue like this one could do serious damage to future listings."

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by FTSE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The indices are compiled by FTSE International Limited and Standard & Poor's in conjunction with the Faculty of Actuaries and the Institute of Actuaries. NatWest Securities Ltd. was a co-founder of the indices.

NATIONAL AND REGIONAL MARKETS	FRIDAY MARCH 21 1997								THURSDAY MARCH 20 1997					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	%chg since 31/12/96	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg from 31/12/96	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	52 week High	52 week Low	Year ago (approx)
Australia (76)	217.59	-1.9	201.14	168.39	180.43	184.13	-0.9	4.12	218.21	202.94	170.26	181.35	184.22	225.77	188.44	202.10
Austria (24)	185.54	-2.3	171.51	143.59	162.38	162.33	6.8	1.80	184.01	171.13	143.58	161.36	161.30	195.04	174.70	184.06
Belgium (26)	230.70	1.3	213.25	178.54	201.90	197.59	10.8	3.54	228.70	212.70	178.46	200.54	196.17	241.54	204.38	207.76
Brazil (28)	237.48	25.2	219.52	183.78	207.84	463.97	27.9	1.21	237.60	220.98	185.40	208.35	463.99	247.23	149.69	155.47
Canada (114)	192.96	1.6	178.37	149.33	168.87	192.75	2.3	1.91	192.55	179.07	150.24	168.84	192.17	203.31	154.12	155.89
Denmark (32)	363.24	3.2	335.78	281.11	317.90	316.97	12.2	1.52	364.03	338.58	284.05	319.22	318.29	376.96	291.76	293.28
Finland (28)	256.29	4.3	236.91	198.34	224.30	270.31	13.8	1.89	250.03	232.63	195.09	219.25	285.95	268.58	174.47	185.31
France (91)	218.51	2.1	201.99	169.11	191.24	194.79	11.6	2.72	215.43	200.35	168.09	188.91	192.28	226.82	188.94	187.46
Germany (69)	198.46	4.5	183.46	153.59	173.69	173.69	14.1	1.55	196.21	182.48	153.10	172.06	172.06	205.33	164.47	174.04
Hong Kong (59)	455.67	-10.1	421.22	352.64	398.79	453.27	-10.0	3.41	454.32	422.53	354.50	398.39	451.86	514.49	407.55	434.13
Indonesia (27)	229.05	0.4	211.73	177.26	200.46	337.94	2.2	1.58	231.51	215.31	180.64	203.01	341.64	–	–	–
Ireland (16)	323.95	-1.5	299.46	250.71	283.52	290.27	6.0	3.28	321.33	298.85	250.73	281.77	289.22	343.85	268.26	260.03
Italy (59)	84.67	1.4	78.27	65.52	74.10	106.61	12.4	2.10	83.94	78.07	65.50	73.61	105.99	96.32	70.61	73.84
Japan (480)	116.50	-8.7	107.69	90.16	101.96	90.16	-4.8	0.87	114.40	106.39	89.26	100.31	89.26	164.68	109.16	150.49
Malaysia (107)	620.03	2.8	573.15	479.84	542.63	591.90	0.9	1.07	627.76	583.83	489.83	550.46	598.94	690.85	512.47	552.16
Mexico (27)	1358.84	11.2	1254.25	1050.05	1187.48	11752.30	11.9	1.12	1353.94	1259.19	1056.45	1187.26	11752.30	1445.68	1110.35	1155.61
Netherland (19)	342.74	2.0	316.82	265.24	299.95	296.23	11.6	2.61	334.79	311.38	261.29	293.56	290.11	357.18	279.86	284.77
New Zealand (14)	84.51	-7.9	78.12	65.40	73.96	64.64	-6.3	4.41	83.33	77.49	65.02	73.07	63.98	95.80	75.94	83.87
Norway (41)	305.38	3.3	282.30	236.34	267.27	277.02	8.1	2.21	300.45	279.42	234.43	263.46	275.53	321.23	236.19	239.00
Philippines (22)	194.82	-4.3	180.09	150.77	170.50	255.77	-4.2	0.68	196.11	182.38	153.02	171.97	257.36	–	–	–
Singapore (43)	383.75	-8.6	354.74	296.98	335.85	255.81	-5.5	1.06	388.33	362.09	303.79	341.40	259.62	449.15	371.28	444.59
South Africa (44)	380.90	13.3	333.61	279.30	315.85	348.29	7.3	2.40	360.66	335.42	281.41	316.26	348.29	389.25	301.49	385.46
Spain (35)	210.84	-4.1	194.90	163.17	184.52	228.33	5.4	2.78	210.63	196.89	164.35	184.70	228.42	228.18	169.82	170.54
Sweden (49)	425.28	0.8	393.13	329.12	372.20	478.70	12.5	2.17	418.11	388.85	326.24	368.63	473.90	448.84	334.04	345.83
Switzerland (36)	251.60	5.5	232.58	194.71	220.19	226.49	14.0	1.39	250.13	232.63	195.17	219.34	224.22	257.68	229.36	248.52
Thailand (44)	79.27	-17.2	73.28	61.35	69.38	79.84	-16.2	4.04	79.25	73.71	61.84	69.50	79.85	187.79	73.98	177.47
United Kingdom (212)	273.22	-3.5	252.56	211.44	239.11	252.56	2.9	3.89	271.72	252.71	212.02	238.27	252.71	285.30	226.05	230.50
USA (654)	318.34	5.5	294.27	246.36	278.60	318.34	5.5	1.89	317.91	295.68	248.08	278.77	317.91	331.64	254.79	285.03
Americas (823)	291.42	5.5	269.39	225.53	255.04	245.37	5.8	1.88	291.02	270.85	227.08	255.19	245.02	303.45	233.09	241.75
Europe (727)	240.27	0.3	222.10	185.94	210.27	222.17	8.7	2.77	237.94	221.29	185.66	208.65	220.71	248.97	204.71	206.83
Nordic (150)	368.84	1.9	341.87	286.21	323.67	357.59	12.1	2.01	364.30	338.81	284.26	319.45	354.22	385.85	288.84	294.38
Pacific Basin (872)	135.90	-8.6	125.62	105.17	118.93	104.17	-4.9	1.39	134.20	124.81	104.71	117.68	103.48	177.01	131.50	164.29
Euro-Pacific (1589)	179.37	-3.8	165.81	138.82	156.98	148.71	2.3	2.16	177.42	165.00	138.43	155.58	147.73	191.51	176.29	181.91
North America (768)	310.71	5.3	287.22	240.46	271.92	310.05	5.3	1.89	310.27	288.56	242.10	272.08	309.61	323.69	248.85	258.29
Europe Ex. UK (515)	216.94	2.5	200.53	167.89	189.86	200.93	12.1	2.15	214.33	199.33	167.24	187.94	198.81	223.97	186.85	188.85
Pacific Ex. Japan (392)	289.09	-5.1	276.47	231.46	261.75	259.06	-4.8	2.87	300.11	279.11	234.17	263.17	259.76	320.85	268.97	291.04
World Ex. US (1812)	183.06	-3.0	169.21	141.67	160.21	154.82	2.7	2.14	181.20	168.52	141.39	156.89	153.87	193.47	179.10	183.21
World Ex. UK (2254)	221.52	1.3	204.87	171.51	193.96	196.63	4.0	1.82	220.28	204.87	171.88	193.16	195.77	228.59	199.58	208.26
World Ex. Japan (1988)	282.15	3.1	260.81	219.35	248.98	272.30	5.8	2.24	281.09	261.42	219.33	246.49	271.55	292.72	233.10	240.35
The World Index (2486)	226.06	0.8	208.96	174.94	197.84	201.76	3.9	2.02	224.70	208.98	175.33	197.04	200.97	233.38	202.32	208.43

 Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 118.027 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 136.55 (US $ Index), 114.45 (Pound Sterling) and 133.22 (Local); Israel, Thailand and Americas: Oct 31, 1994 = 180.44 (US $ Index), 164.07 (Pound Sterling) and 148.94 (Local). Indonesia and Philippines June 28 1996 = 214.14 (US $ Index), 204.33 (Pound Sterling) and 184.40 (Local). CONSTITUENT CHANGES (FURING THE WEEK ENDING 21/3/97: Deletions: Finance One (F) (Thailand). Markets closed 21/3/97: Mexico and South Africa.

MARKETS: This Week

NEW YORK By Richard Waters

There will be two questions on investors' minds as this week gets under way: Will the Federal Reserve's policy-making committee raise interest rates at its meeting tomorrow, and if so, will this be the first in a series of increases?

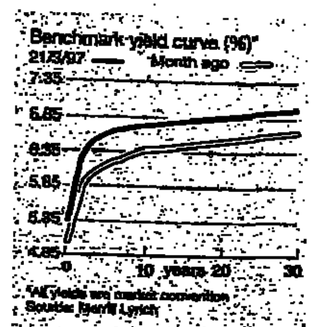
By the end of last week, the Treasury bond market had tilted heavily towards the view that the Fed would indeed act, and the Dow Jones Industrial Average had fallen back to 6,800, its lowest point for five weeks.

There has been little evidence that inflation is building: but the economy's strong start to the year and repeated comments from Mr Alan Greenspan, most recently last week, that pre-emptive action may be necessary to head off price increases, have primed the markets. A 25 basis point rise in short-term rates is now widely expected.

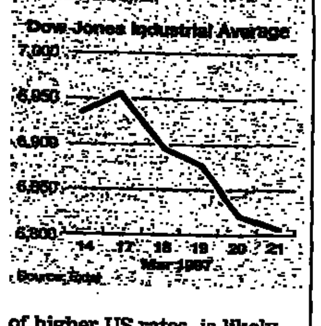
The immediate effects of a rise are likely to be more contained than in 1994, when monetary tightening took investors by surprise and hit bond markets around the world. Long-term bond yields are a percentage point higher than they were then, even though the core consumer price index is rising more slowly.

The dollar's strength, in part on growing expectations of higher US rates, is likely to continue to draw foreign money into Treasuries. On the other hand, higher short-term rates would choke off some of the liquidity that has supported the rise in US financial markets generally.

A further modest retreat in financial asset prices – with the 30-year bond yield above 7 per cent and the Dow marking time below 7,000 – could reduce the risk of more stringent Fed action in the months ahead.



*All yields are market convention
Source: Merrill Lynch



Source: Extel

LONDON By Philip Coggan

The UK market will lift its head from pondering the daily election battle to worry about events across the Atlantic this week – notably the meeting of the Federal Reserve Open Market Committee tomorrow.

Fears that the Fed might raise interest rates by a quarter or even a half percentage point were more important than political worries in knocking the FTSE 100 index off its perch last week.

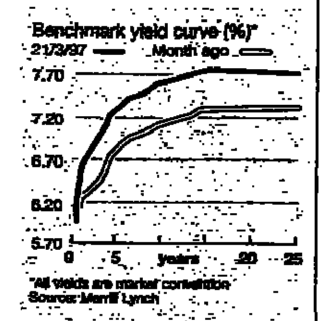
Nevertheless, uncertainty about the election result is likely to give the equity market some nervous moments as May 1 approaches; the gilts market seems a little more relaxed about the chances of a Labour victory.

Back home, the chancellor of the exchequer and the governor of the Bank of England have their monthly meeting on Wednesday.

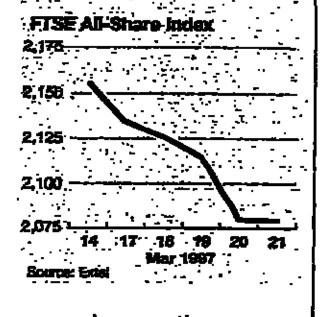
Mr Kenneth Clarke may be a maverick but it would be astonishing if he raised rates so soon before the election; a post-election conference with Labour's Mr Gordon Brown may be Mr Eddie George's best hope of action. The governor will no doubt have viewed last week's rise in average earnings growth with alarm.

On the results front, there are plenty of important companies reporting, notably Blue Circle, P&O, Sun Life & Provincial, Caradon, Next and Redland. The effect of sterling will once again be one of the most important factors monitored by analysts.

Trading will start to wind down before the long Easter holiday weekend. Given the recent falls, market-makers are unlikely to want to have long books at the start of the holiday, which could prompt some weakness in shares on Thursday.



*All yields are market convention
Source: Merrill Lynch



Source: Extel

FRANKFURT By Andrew Fisher

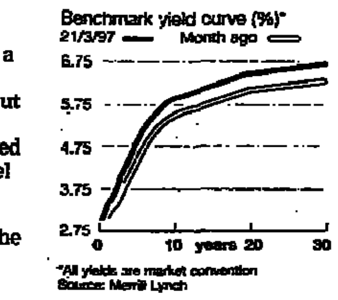
The German stock market looked set for a bout of takeover fever last week – a rarity in Germany, where deals are usually worked out behind closed doors. When Krupp Hoesch said it wanted to acquire Thyssen, its steel and engineering rival, the prospect of a bid battle on Anglo-Saxon lines – with the full panoply of investment bank advisers, takeover strategists and legal experts – opened up dramatically.

But by the weekend it was backed to closed doors. Under the influence of irate employees, trade unions and politicians, the companies sat down to talk. Thyssen itself had helped confuse the atmosphere by talking of "wild west" tactics before seeing the offer.

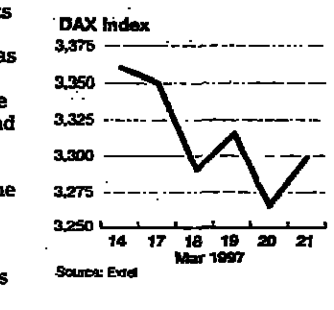
Yet Thyssen shareholders had some satisfaction, though the bid has not been put to them. Their shares rose last week by 13 per cent to DM391, compared with Krupp's offer of DM435 a share. Some analysts put the internal value of Thyssen shares at DM500 or more, on the basis of net asset value. Krupp shares gained 16 per cent to DM320.

Whether the bid is pursued or a compromise found, however, the idea of the hostile bid has entered the German financial scene. It could well affect other industrial sectors. For the market as a whole, bid considerations could help maintain the buoyancy seen on Friday when the DAX blue chip index rose 1.3 per cent to 3,288.52.

Beyond Germany, the German markets will be focused on the US, where a rise in interest rates is expected from the Federal Reserve. At home, annual press conferences of Veba, BMW, Deutsche Bank and BHF-Bank should stimulate interest.



*All yields are market convention
Source: Merrill Lynch



Source: Extel

TOKYO By Gwen Robinson

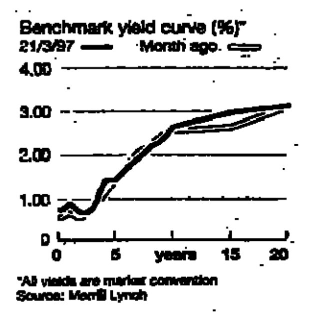
Markets will be watching several key factors in the run-up to Japan's March 31 business year-end. Interest is likely to focus on the government's promised scheme to revitalise the property market, to be unveiled on March 31. The equity market has already gained support from the government's initial announcement of the scheme on March 18.

Shares in banks, which have big non-performing property-backed loans, rose nearly 7 per cent over the week. The package is expected to help financial institutions dispose of property held as collateral against bad loans. At best, it could stimulate the economy as a whole and, in particular, sectors such as construction, real estate and financial institutions.

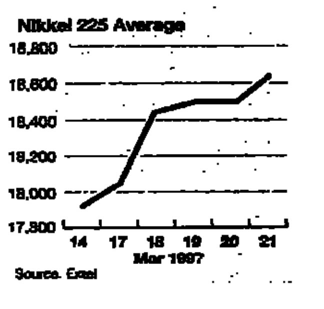
"If the package is bold, this may cement expectations that Japanese land prices have troughed," said Mr Michael Hartnett, economist at Merrill Lynch in Tokyo. "But the measures will not address the underlying reason for the poor performance of bank stocks on the equity market and the resultant low level of rate expectations."

Weakness in bank stocks indicates a lack of industry consolidation, which affects the ability of deregulation to enhance productivity and earnings, and thus share prices, he said.

The bond market is likely to fall over the week, with speculation about a rise in US interest rates adding to concern over the property market bail-out. If the plan contains concrete and feasible measures to stimulate the market, investors will sell on the view that a revival in the property market could lead to higher interest rates.



*All yields are market convention
Source: Merrill Lynch



Source: Extel

COMMODITIES By Laurie Morse

Focus on USDA reports

The US Department of Agriculture will release two benchmark quarterly reports this week that should provide insight into both the supply of and demand for feed-grains and oilseeds over the coming season.

Grain traders and meat merchandisers will look closely at Thursday government report on the prospects for the US hog herd.

Analysts expect the overall size of the pig population to be little changed from a year ago, at about 56.7m animals. However, the data should show that the US hog breeding herd is being rebuilt, a response to the decline in feed prices, primarily maize, since last spring.

Mr Chuck Levitt, senior livestock analyst for Chicago-based Alaron, says the expansion of the hog herd will gain momentum through the summer.

He expects the number available for slaughter will be lower than last year in Thursday's report, but projects the number of market-ready hogs will rise by the time the government's next quarterly status report is issued.

An expanding hog herd translates into growing demand for US feed-grains. Traders believe the US has ample maize to devote to domestic animal feeding, but supplies of soyabeans, a high-protein alternative feed, are razor-thin.

Next Monday morning, March 31, the USDA reports on the status of grain stocks, particularly maize and soyabeans, across the US.

With domestic crushing and exports going forward at record rates, some analysts expect the figures to show soyabean stocks dwindling at a rate that could prompt the government to lower its 140m bushel estimate of year-end soyabean carry-over.

Also next Monday, the USDA releases its March 1 survey of farmer's spring planting intentions for maize and soyabeans.

Chicago futures markets will be closed on Friday but will be open on Monday, March 31.

OTHER MARKETS Compiled by Jeffrey Brown

European bourses rallied on Friday, but most traders remained cautious ahead of the run-up to the Easter holidays.

PARIS

After a week of wild swings, the French market closed on Friday within 4 per cent of its March record. Having trailed by 6 per cent at one stage, it was an impressive recovery.

However, activity fell away, with turnover slipping to below average levels. "The chances are that turnover will stay low this week in the four day run-up to Easter. But it's likely to stay a bumpy ride," said one broker.

The main support level on the CAC 40 looks to have been confirmed at 2,550. The index came perilously close to this on Thursday when the latest Greenspan-inspired wobble on Wall Street sent the market sharply lower.

On balance, last week's welter of results were up to expectations, but there were disappointments, notably from Michelin and Pernod-Ricard. Some shares were heavily punished.

This week's batch of figures could help restore sentiment. Profits growth of a third is expected from both Pinault-Printemps on Thursday and Axa-UAP on Wednesday. At Schneider, due on Thursday, broker forecasts are close to a 50 per cent gain.

AMSTERDAM

Dutch shares were one of the European laggards last week, with sentiment severely undermined by rising bond yields and profit warnings from Nedlloyd and KNP, two components of the leading AEX index.

There could be scope for further disappointments. Fortis Amev reports on Wednesday and the range of broker estimates for the insurance group's profits is remarkably wide, extending from Fl 700m to more than Fl 800m, against Fl 693m in 1995.

Having steamed ahead by a third in the two months to March, the stock has fallen sharply this month.

ZURICH

Roche unveils 1996 results today, but assuming that net profit is within the forecast range of SFr3.9bn to SFr4bn, up from SFr3.4bn a year earlier, investors will be more interested in news about new products and future strategy.

The shares saw a flurry of activity at the end of last week after a note from Credit Suisse First Boston suggested that the group could buy back its certificates with no material tax consequences. It added that a buy-back, not currently factored into the share price, was more likely than a large acquisition.

Nestlé is scheduled to announce full-year figures on Wednesday.

HONG KONG

Interest rate worries and nervousness about property have weighed heavily on the Hang Seng index in recent sessions, pushing the leading index firmly down through its 12,600 support level.

There was a modest rally on Friday, with the Hang Seng closing 16.97 higher at 12,489.30, but few brokers were willing to bet on any concerted recovery until the widely expected rise for US interest rates is finally out in the open.

Investor sentiment in direct property faces a number of tests. Wednesday takes in the latest government land auction while analysts will be actively poring over the weekend's pre-sale result on the big Laguna Verde residential project.

Gitic Enterprises, the red chip share issue which was almost 900 times subscribed, makes its debut on Wednesday.

The results season continues this week, with Cheung Kong and Hutchison Whampoa both reporting on Wednesday.

CURRENCIES By Simon Kuper

Traders expect Greenspan to raise rates

There is just one big question for currencies traders this week: will the Federal Open Market committee raise US interest rates after its meeting tomorrow?

An increasing number of dealers have come to believe that it will. The US economy is thriving, and although most recent price data have been soft, last week's consumer price inflation emerged strong.

Mr Alan Greenspan, chairman of the Federal Reserve, swiftly backed the figures up with hawkish talk about the need to jump on inflation fast. "We're now in a position where we have to move ahead of the curve," he told a congressional committee on Thursday.

The most likely move is thought to be a 25 basis point increase in the key Federal funds rate to 5.50 per cent. The last change to US rates was a 25 basis point cut in January of last year.

The effect on the dollar of a Fed funds rate rise is uncertain. Usually, the currency falls for the first few months after an increase, because stock and bond markets tend to fall. In the past, the dollar has taken up to two years to recover to its pre-rate rise level on the back of higher US yields.

The effect of an increase in US interest rates could be sharpest on the currencies of emerging markets countries.

If the cost of borrowing in the US rises, investors may become less inclined to borrow dollars and use them to buy high-yielding foreign assets.

Already, most emerging market currencies have fallen in recent weeks on fears of a Fed tightening.

The other main event of the week is the expected Italian mini-budget.

It aims to cut between L15,000bn and L16,000bn from the country's budget deficit in order to raise Italy's chances of qualifying for European economic and monetary union.

However, currency strategists will be keen to see whether the cuts are likely to be sustainable or not.

FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Friday, March 21, 1997. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

		£ STG	US $	D-MARK	YEN (X 100)
Afghanistan	(Afghani)	7617.81	4750.00	2821.67	3879.77
Albania	(Lek)	233.346	145.500	86.4322	118.843
Algeria	(Dinar)	92.9052	67.9300	34.4125	47.3168
Andorra	(French Fr)	9.1141	5.6830	3.3760	4.6418
	(Sp Peseta)	229.256	142.950	84.9200	116.761
Angola	(Readj Kwanza)(1)	337589.1	210500.0	125044.6	171935.0
Antigua	(E Carib $)	4.3301	2.7000	1.6039	2.2053
Argentina	(Peso)	1.6030	0.9995	0.5938	0.8164
Armenia	(Dram)	752.190o	469.020	278.615	383.092
Aruba	(Florin)	2.8707	1.7900	1.0633	1.4621
Australia	(Aus $)	2.0405	1.2723	0.7558	1.0392
Austria	(Schilling)	19.0017	11.8483	7.0385	9.6776
Azerbaijan	(Manat)	6533.67o	4074.00	2420.10	3327.62
Azores	(Port Escudo)	271.487	169.270	100.555	138.259
Bahamas	(Bahama $)	1.6038	1	0.5941	0.8168
Bahrain	(Dinar)	0.6045	0.3770	0.2240	0.3079
Balearic Is	(Sp Peseta)	229.256	142.950	84.9200	116.761
Bangladesh	(Taka)	69.2820	43.2000	25.6631	35.2856
Barbados	(Barb $)	3.2256	2.0113	1.1948	1.6428
Belarus	(Rouble)	48673.8o	30350.0	18029.0	24789.7
Belgium	(Belg Fr)	55.6889	34.7310	20.6321	28.3680
Belize	(B $)	3.2075	2.0000	1.1881	1.6336
Benin	(CFA Fr)	911.410	568.300	337.601	464.184
Bermuda	(Bermudian $)	1.6038	1	0.5941	0.8168
Bhutan	(Ngultrum)	57.5348	35.8750	21.3117	29.3025
Bolivia	(Boliviano)	8.3879	5.2300	3.1069	4.2718
Botswana	(Pula)	5.6962	3.5518	2.1099	2.9011
Brazil	(Real)	1.7022	1.0614	0.6305	0.8669
Brunei	(Brunei $)	2.3198	1.4465	0.8593	1.1815
Bulgaria	(Lev)	2586.85	1613.00	958.180	1317.49
Burkina Faso	(CFA Fr)	911.410	568.300	337.601	464.184
Burma	(Kyat)	10.0690	6.2784	3.7298	5.1282

		£ STG	US $	D-MARK	YEN (X 100)
Greece	(Drachma)	425.339	265.215	157.552	216.626
Greenland	(Danish Krone)	10.2897	6.4160	3.8114	5.2405
Grenada	(E Carib $)	4.3307	2.7000	1.6039	2.2053
Guadeloupe	(Local Fr)	9.1141	5.6830	3.3760	4.6418
Guam	(US $)	1.6038	1	0.5941	0.8168
Guatemala	(Quetzal)	9.6519	6.0183	3.5751	4.9157
Guinea	(Fr)	1717.21	1070.75	636.084	874.581

		£ STG	US $	D-MARK	YEN (X 100)
Pakistan	(Pak. Rupee)(3)	64.2782	40.0799	23.8096	32.7370
Panama	(Balboa)	1.6038	1	0.5941	0.8168
Papua New Guinea	(Kina)	2.2182	1.3831	0.8216	1.1297
Paraguay	(Guarani)	3407.97	2125.00	1262.33	1735.69
Peru	(New Sol)	4.2371	2.6420	1.5695	2.1580
Philippines	(Peso)	42.2492	26.3440	15.6497	21.5176
Pitcairn Is	(£ Sterling)	1	0.6235	0.3704	0.5093

CROSS BORDER M&A DEALS

BIDDER/INVESTOR	TARGET	SECTOR	VALUE	COMMENT
Tyco International (US)	ADT (Bermuda)	Security servs	$5bn	Recommended
Telenor (Norway)	Cosmote (Greece)	Telecoms	$4.21bn	Favoured bidder
News Corp (Aust)	Heritage Media (US)	Broadcasting	$754m	Promotion
HSBC (UK)	Serfin (Mexico)	Banking	$300m	19.9% investment
Den Danske Bank (Denmark)	Ostgöta Enskilda Bank (Sweden)	Banking	$283.5m	Renews Swedish restructuring
Airtours (UK)/Carnival Corp (US)	Costa Crociere (Italy)	Travel	$268m	Joint 50:50 move
Hanson (UK)	Concrete Pipe & Products (US)	Building materials	$125m	Bolt-on buy
T&N (UK)	Unit of Metal Leve (Braz)	Car parts	$54m	US purchase
Aegis (UK)	ICG (US)	Media services	$29m	Added value buy
GKN (UK)	Agrindustrial (N'lands)	Agricultural equipment	$28m	Initial 39% stake

EMERGING MARKETS By Michela Wrong

Regional hopes in Mauritius

In a quiet club overlooking the skyscrapers of the capital, Port Louis, Mauritius stockbrokers are at lunch. The faces – mostly European, but some Chinese and Indian – provide an insight into the local market.

For just as this multiracial Indian Ocean nation has always tapped the outside world in its quest for prosperity, bringing in black Africans and then Indian labourers to work its plantations, it is now counting on foreign interest to take its stock market into a new era.

Launched in 1989, the exchange has stabilised after a volatile 1994 and 1995, when anxiety over emerging markets after Mexican crisis and uncertainty caused by local political wrangling sent the index plunging.

The number of companies listed, five at launch, now totals 45. The Semdex index rose more than 5 per cent in 1996 and could gain another 10 per cent this year following the economic success enjoyed by the country since the 1980s, when it transformed itself from a struggling sugar producer to a tourism destination and export processing zone pouring out quality textiles.

This solid economic base, which has provided the 1.1m Mauritians with some of the highest per capita incomes in Africa, make it an attractive market.

Liberated from government restriction since 1994, demand by foreign investors already accounts for around 40 per cent of total purchases and has at times risen as high as 77 per cent. "Foreigners just keep buying and buying. They rarely sell," says one analyst.

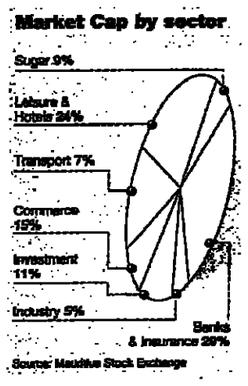
But the government and local brokers hope to go a stage further, building on Mauritius' continuing development as an offshore banking centre and freeport to boost this still tiny bourse, capitalised at just MRs34.1bn ($1.7bn) and trading on a p/e of 12, against 12.9 a year ago.

They would like to see Mauritius become a regional exchange, enriched by offshore funds and listings from mainland Africa.

"There's no reason why an African company wanting to tap that capital shouldn't list here. Or why an Indian company wanting to do business on the mainland shouldn't exploit our excellent telecommunications," says a broker. To that end, the authorities are busy upgrading the infrastructure.

Mr Richard Morin, a Canadian brought in as chief executive of the stock exchange a year ago, has introduced a central depository and settlement system, guaranteeing prompt settlement of trades.

Market Cap by sector



Source: Mauritius Stock Exchange

"We're one of the first markets in Africa to achieve this. Lots of countries talk about it but while it's very easy to write a blueprint for a CDS, it's very tricky to put in place. You're changing decades of tradition and habit, because people like being able to physically hold their certificates. This is a major milestone," he says.

Another turning point will be a new Securities Act, which should bring the bourse's regulatory framework up to international standards, reassuring foreign investors that their money is safe. But if the ambition to turn Mauritius into a regional market is to be achieved, it will need more paper on offer to remain attractive.

"We've nearly reached a plateau," says an analyst. "The bulk of local business groups are already on the exchange and turnover is low because many of the quoted firms are family groups in which shares are tightly held."

Some local brokers pin their hopes on the national pension fund, which currently skirts shy of the bourse. If it enters a market dominated by banks and tourist groups, it would give liquidity a major boost.

The government is busy touting the still to be launched $60m Port Louis fund, which will involve part of the as yet unlisted telecommunications company and already-privatised Air Mauritius and State Bank.

But few analysts expect it to stimulate enormous buyer enthusiasm, pointing out that in contrast to the 1992 Mauritius fund, which during a time of government restrictions offered foreign investors unique market access, many of the Port Louis shares can already be bought by normal means.

What they would like to see is the government stepping up its privatisation programme, which is currently making slow progress as the finance minister attempts to win support from the trade unions. "The Finance Minister would like to please everyone, and that just isn't possible," says a financier.

At the moment, the stock exchange currently only trades three times a week, sessions last around half an hour, and a single-price, open outcry system is used, discouraging short-term positions. Five-day trading is to be introduced soon and some of the 11 broking houses look forward to the introduction of an order-driven system to enliven proceedings. But until more shares are available, the currently sedate pace on Port Louis' one-room trading floor is unlikely to change.

ING BARING SECURITIES EMERGING MARKETS INDICES

Index	21/3/97	Week on week movement Actual	Week on week movement Percent	Month on month movement Actual	Month on month movement Percent	Year to date movement Actual	Year to date movement Percent
World (449)	175.22	-1.21	-0.69	-3.24	-1.82	+15.11	+9.43
Latin America							
Argentina (22)	117.12	+0.32	+0.28	-1.21	-1.02	+8.99	+8.32
Brazil (24)	332.30	-2.26	-0.68	+9.33	+2.89	+71.27	+27.30
Chile (16)	184.70	-7.40	-3.85	-6.63	-3.46	+22.25	+13.70
Colombia (13)	218.45	-1.54	-0.70	+6.21	+2.93	+44.75	+25.77
Mexico (27)	93.67	+1.61	+1.75	-2.40	-2.50	+12.00	+14.69
Peru (12)	1,162.73	-25.26	-2.13	+10.69	+0.93	+155.51	+15.44
Venezuela (6)	61.19	+1.55	+2.59	-3.51	-5.42	-0.98	-1.58
Latin America (119)	170.87	-0.60	-0.35	+0.27	+0.16	+27.37	+19.07
Europe							
Czech Rep.(14)	101.73	-1.52	-1.47	-18.51	-15.40	-2.54	-2.44
Greece (20)	149.85	+2.51	+1.71	-6.49	-4.16	+37.34	+33.25
Poland (25)	348.72	-18.80	-5.09	-61.91	-15.15	+2.98	+0.87
Portugal (18)	163.58	-2.91	-1.75	-1.57	-0.95	+17.40	+11.91
South Africa (30)	145.80	-0.20	-0.14	-0.35	-0.24	+15.92	+12.26
Turkey (27)	173.05	+15.20	+9.63	-8.51	-4.68	+48.01	+38.39
Europe (134	135.14	+0.40	+0.30	-4.06	-2.92	+16.81	+14.20
Asia							
China (27)	55.81	-0.61	-1.06	+2.56	+4.80	-0.67	-1.18
Indonesia (30)	151.30	-4.97	-3.18	-16.61	-9.89	-5.13	-3.28
Korea (23)	73.86	-1.27	-1.69	-10.62	-12.57	-7.33	-9.03
Malaysia (24)	269.20	-7.11	-2.57	-11.51	-4.10	-11.22	-4.00
Pakistan (13)	71.20	+0.65	+0.92	-9.04	-11.28	+12.75	+21.81
Philippines (18)	314.63	-3.25	-1.02	-11.54	-3.54	+0.84	+0.27
Taiwan (31)	204.88	-1.72	-0.83	+8.32	+4.24	+19.44	+10.48
Thailand (29)	132.85	+2.74	+2.11	-7.48	-5.33	-22.31	-14.38
Asia (193)	215.77	-3.29	-1.50	-7.21	-3.23	-1.80	-0.83

All indices in $ terms, January 7th 1992=100. Source: ING Baring Securities.

INTERNATIONAL BONDS By [illegible]

Investors in scramble for higher yields

South African rand and Philippine peso euro-debt have become the latest paper of choice for investors in search of that increasingly elusive creature: the high-yielding bond. With coupon rates of up to 15.3 per cent, offshore rand debt issues have become an almost daily event in the euro-markets.

In a rush to exploit favourable rand-dollar swap rates, large borrowers, including the European Bank for Reconstruction and Development and the International Finance Corporation, have extended the euro-rand yield curve from 10 years at the beginning of 1997 to 30 years.

Syndicate officials say the scale of investor appetite is surprising considering the losses made by buyers of euro-rand paper in late 1995 or early 1996. The rand subsequently depreciated by around 25 per cent, resulting in heavy losses for those failing to hedge their exposure.

"Investors have clearly looked at their risk/reward calculations and worked out that 15 per cent coupons are adequate returns for the risk that the rand might go through the floor again," said one banker in London. "To put it bluntly, they are taking a good old-fashioned punt."

The growing popularity of zero-coupon rand issues is mainly a response to investors' fears that the currency may go through the floor again. This enables them to buy 15 or 20-year paper at a fraction of its face value with the potential for enormous capital gains when it reaches maturity.

"A lot of these investors are attracted to the South African market but don't want to take the risk yet of investing in its domestic bond market," said Mr Alok Basu, senior fixed income economist at Hambros Bank in London. "They feel much safer buying debt from an AAA rated institution."

For supranationals such as the EBRD, which has also issued in Czech koruna and Philippine pesos, the advantages are based on the favourable swap rates into dollars. This enables the issuer to fund its dollar requirements at sub-Libor rates and benefit from the prestige of helping open up a new market.

Ms Ayasha Shah, head of funding at the EBRD in London, said investor appetite for emerging currency offshore debt is likely to remain strong.

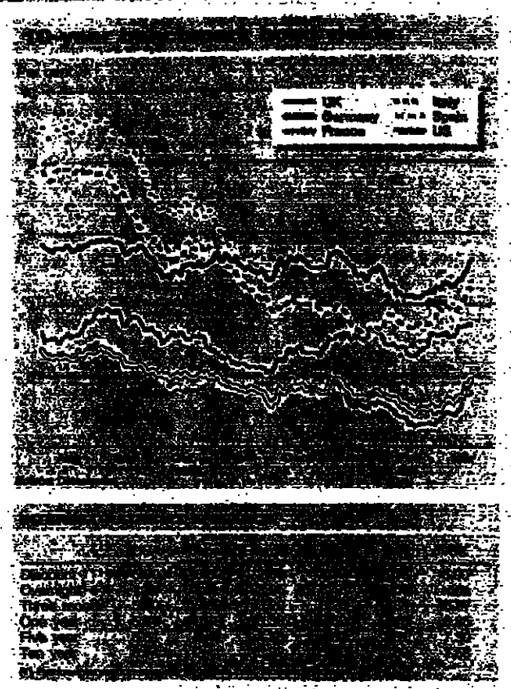
"With European interest rates at such a low level, investors will inevitably look for higher yield elsewhere," said Ms Shah.

The Philippine peso is the latest emerging currency to benefit from this interest, although at coupons of between 9 and 10.25 per cent, it is not as eye-catching as the rand.

The IFC pipped the World Bank to the post to become the debut issuer two weeks ago with a 2.6bn peso five-year offering. This was quickly followed by the World Bank and EBRD issues at five years and one year respectively.

"There is a concerted effort by supranational borrowers to kick-start this market," said one London-based trader specialised in the emerging markets. "If the big names like these get in and show confidence, then other market players will follow them."

The choice of the Philippine currency, he adds, is attributable to a combination of favourable factors, including political stability, a stable currency, and the high likelihood that the sovereign debt ratings of the Philippines will be raised after next year's presidential election.



Bankers, however, say that the main driving force behind the wave of peso-issues is the demand from foreign direct investors to swap dollars for pesos at attractive rates. Investors in the Philippines find it difficult to tap debt from the local market. A high withholding tax and the absence of a secondary debt market make onshore borrowing a logistical headache.

Mr Andrew Alcid, a syndicate official at Citibank, which lead-managed the IFC offering, said: "The premise was that if you are an offshore investor buying pesos you go for government securities and you're subject to a 20 per cent withholding tax, so to entice the market to the bond we offered a slight premium."

The launch was twice oversubscribed, with 70 per cent of investors coming from Asia and 25 per cent from the US.

In contrast, the EBRD used a one-year maturity in order to attract a more European investor base. But bankers say that most of the demand will continue to come from Asian retail and institutional investors.

"Investors are scrambling for yields and that means there's demand for paper that wouldn't have existed in the past," says Mr Esmoin McCormell, head of the Asian debt syndicate group at Deutsche Morgan Grenfell, which led the World Bank issue.

"There are a lot of North Asian investors with a lot of Indonesian and Thai paper on their books who are looking to diversify without giving up on yield."

Nevertheless, with talk of the Asian Development Bank and possibly the Philippine government joining the list of offshore peso issuers, economists are questioning whether offshore peso issues will help to develop the Philippines' domestic market.

Without a proper insurance and pension fund base to stimulate the market, banks will continue to dominate lending in the Philippines they say.

"It's fine to develop the foreign bond market, but without a strong domestic market that won't be enough," says Mr Roman Azanza, chairman of the capital market development council. "There is still no real secondary trading."

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Maturity	Coupon %	Price	Yield %	Launch spread bp	Book-runner
US DOLLARS							
First Pacific Capital(b)§	350	Mar 2002	2.00‡	100.00	-	-	BNP/SBC Warburg
Puma Finance, Cls A1(n)‡‡	105	Oct 2029	(k2)	100.00R	-	-	JP Morgan Securities
Puma Finance, Cls A2(o)‡‡	595	Oct 2029	(k4)	100.00R	-	-	JP Morgan Securities
Sucheng/LB Capital Mkts(s)	250	Dec 1999	6.25	99.722R	6.381	+10(5¾Feb99)	ABN Amro/Bear Stearns
Bank of Nova Scotia	200	Apr 1999	6.375	99.59R	6.397	+19(5¾Feb99)	Paribas Capital Markets
Kerry Properties Capital(s)§	250	Jan 2007	2.00‡	100.00	-	-	JP Morgan Securities
RBS Participations(s)	125	Apr 2007	11.88‡	100.00R	11.00	+429(6¼%-07)	JP Morgan Securities
MMCCT, 97-C, Cls A(f)+‡	837.5	Mar 2004	(r1)	100.00R	-	-	Merrill Lynch
Den Danske Bank(s)‡	300	Apr 2009	(g)	99.768R	-	-	Deutsche Morgan G'fell
CCDO	250	Apr 2001	6.75	99.872R	6.788	+32(5¾Feb00)	Merrill/Paribas
DSL Bank	230	Apr 2000	6.375	99.79R	6.454	flat(5¾%-00)	BNP/CSFB
KBW Intl Finance(s)	150	Apr 2002	7.00	100.15R	6.963	+30(6¼Feb02)	Morgan Stanley Intl
HACCMT 1, 97-1, Cls A(s)‡	670	Mar 2002	(r1)	100.00	-	-	CSFB
Kesko(s,c)	550	Mar 2007	7.10‡	99.652R	7.135	+61(M Syr)	Lehman Brothers
MMI, 97-A, Class A(p)+‡	324.725	Oct 2026	(p1)	100.00R	-	-	Merrill Lynch
Daimler-Benz North America	150	Apr 2000	6.625	99.95R	6.644	+15(5¾Feb00)	Commerzbank
PBCCMT, 97-1, Class A(z)‡	425	Feb 2002	(z1)	100.00	-	-	Goldman Sachs
Daewoo Corp(h)§	55	Dec 2007	zero	100.00	-	-	Daewoo Secs/HSBC
D-MARKS							
Nordbanken‡	300	Apr 1999	(c.i)	100.01R	-	-	ABN Amro/Lehman
European Inv'ment Bank(x,s)	1bn	Feb 2007	5.75	97.50R	6.042	+8(6¾Jan07)	ABN Amro/DMG/SocGen
YEN							
Logic(d)§+	10bn	Sep 2002	1.95	100.00	-	-	Tokyo-Mitsubishi Intl
FRENCH FRANCS							
Bayerische Hypo‡	1bn	Apr 1999	(j)	100.00	-	-	CCF
Kingdom of Spain(s)	4bn	Apr 2012	6.25	99.52R	6.300	+15(I)	CDC Marchés/Paribas
Frankfurter Hypo(u)	2bn	Apr 2009	6.60	99.00R	6.720	+16(I)	DMG/Morgan Stanley
Sanofi(b)‡	2.939bn	Apr 2004	(b1)	100.00R	-	-	Deutsche Morgan G'fell
STERLING							
Eastern Electricity(u,s)	200	Mar 2012	8.75	99.322R	8.835	+60(9¾-2012)	BZW/SBC Markets
SWISS FRANCS							
Merrill Lynch & Co	150	Apr 2002	3.00	102.35	2.484	-	Merrill Lynch Capl Mkts
Abbey Nat'l Treas Services‡	100	Apr 2001	(k)	100.25	-	-	UBS
ITALIAN LIRE							
Deutsche Finance Netherl(b)	1000bn	Jan 2032	zero	7.00	7.941	-	Deutsche Morgan G'fell
Credirolmec‡	500bn	Apr 2005	(a)	99.88R	-	-	JP Morgan Securities
European Inv'ment Bank(v)	250bn	Feb 2007	7.00	97.325	7.397	-	BNP/Mediobanca
Commerzbank‡	150bn	Apr 2007	(w)§	100.00	-	-	BCI
Finelwest‡	300bn	May 2000	(y)	99.75R	-	-	IMI Bank Luxembourg

Borrower	Amount m.	Maturity	Coupon %	Price	Yield %	Launch spread bp	Book-runner
SOLIDERS							
Rabobank Nederland	500	Apr 2009	6.00	99.33R	6.090	+17½(I)	Rabobank Nederland
Bayerische Hypo(x,h)	100	Dec 2002	5.375	100.01R	5.18	+10(5¾Sep02)	BNP Barings
AUSTRALIAN DOLLARS							
New Sth Wales Treas Corp(s)	100	Dec 2002	7.75	101.635	-	-	Toronto Dominion Bank
DANISH KRONER							
SNCF(s)	400	Dec 2004	6.375	102.00	6.05	-	Bank Brussels Lambert
Crédit Local de France(s)	400	Dec 2002	8.00	101.50	5.89	-	ABN Amro/BIL
ESCUDOS							
Goldman Sachs Group‡	10bn	Apr 2007	(m)	100.00	-	-	Bco Crédito Finanlia
EUROS							
Republic of Italy(s)	1bn	Apr 2004	6.00	99.25R	6.135	+18(6¾-04)	Paribas/SBC Warburg
RAND							
Commerzbank‡	100	Apr 1998	15.25	100.95	14.67	-	Nedcor Bank
Bank Austria	500	Apr 2007	zero	26.40R	14.25	-	West Merchant Bank
SLOVAK KORUNA							
World Bank	1.5bn	Apr 1998	12.50	100.00R	12.50	-	RZB-Austria
PHILIPPINE PESOS							
EBRD	3bn	Apr 1998	9.00	100.80R	9.00	-	BNP Barings

Final terms, non-callable unless stated. Yield spread over relevant government bond at launch supplied by lead manager. §Convertible. ‡Floating-rate note. (With equity warrants. +Unlisted. [Zero]-coupon and yield. R: fixed re-offer price. a) Conversion price: HK$12.25. FR: 7.7477 HK$/US$. Premium redemption: 134.128%. Callable from Mar 00, subject to 140% hurdle, at accreted value. Greenshoe: $32.5m. b) Callable from Mar 03 at par. b1) Average life: 2.05 yrs. b2) 3-mth Libor +8bp to Mar 03, then +20bp. b3) Av life: 4.97 yrs. b4) 3-mth Libor +13bp to Mar 03, then +50bp. b5) Class B notes: $35m, av life 6 yrs, 3-mth Libor +27bp to Mar 03, then +75bp. c) 3-mth Libor flat. d) Payments in Euro prior to Euro. e) Conv price: HK$21.50. FR: 7.7474HK$/US$. Puttable on 25/3/02 at 129.7126. Callable from 25/3/99 subject to 130% hurdle. Greenshoe: $50m. f) MBNA Master Credit Card Trust. Legal maturity: 15/6/06. f1) 1-mth Libor +11bp. f2) Class B: $98.25m, 17/3/04 expected, 1-mth Libor +90bp, parR. g) Callable from Apr 06 at par. g1) 3-mth Libor +97½bp to Apr 06, then +187½bp. h) Callable on 23/4/98 at par. i) Over interpolated yield. j) 3-mth Pibor flat to Apr 98, then 4%. k) 4-mth Libor -15bp. l) Long 1st coupon. m) 6-mth Libor +80bp. n) Household Affinity Credit Card Master Trust. Legal maturity: 16/8/04. Av life: 4.97 yrs. n1) 1-mth Libor +10bp. n2) Class B: $472m, 1-mth Libor +20bp, par, 4.97 yrs. o) Puttable on 15/3/02 at par. p) MLCC Mortgage Investors. Av life: 5.38 yrs. Plus 11 days accrued. p1) 1-mth Libor +28bp. q) Spread clause. r) Redenomination clause into Euros. s) Short 1st coupon. t) Callable/Putable. u) 3-mth Libor +12½bp. v) Fungible with L750bn. Plus 72 days accrued. w) Linked to Constant Maturity Treasury Index. x) Fungible with Fl 200m. Plus 142 days accrued. y) 6-mth Libor +50bp. z) People's Bank Credit Card Master Trust. Legal maturity: Jul 04. Av life: 4.8 yrs. z1) 1-mth Libor +12bp. z2) Class B: $33.75m, 1-mth Libor +32bp, par, 5 yrs. A) Conv price: Won 5898. FR: 894.4 Won/£. Puttable on 26/3/02 at 144.324%. Callable from 26/3/04, subject to 140% hurdle, at accreted value. B) Mar or Sep; 4 yrs. B1) 3-mth Pibor +21bp. Note: Yields are calculated on ISMA basis.

هكذا من الأصل

هكذا من الأصل

CURRENCIES AND MONEY

POUND SPOT FORWARD AGAINST THE POUND

Mar 21	Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe												
Austria (Sch)	19.0017	+0.0769	945 - 089	19.0724	18.9046	18.9582	2.7	18.9017	2.1	-	-	103.9
Belgium (BFr)	55.6999	+0.2496	476 - 521	55.9170	55.4260	55.5749	2.7	55.3149	2.8	53.8899	3.1	103.9
Denmark (DKr)	10.2897	+0.041	858 - 935	10.3375	10.2456	10.2677	2.6	10.2242	2.5	10.0142	2.7	108.3
Finland (FM)	8.0598	-0.0201	540 - 656	8.1210	8.0330	-	-	-	-	-	-	83.8
France (FFr)	9.1141	+0.0431	113 - 169	9.1458	9.0645	9.092	2.9	9.0493	2.9	8.8812	3.1	108.9
Germany (DM)	2.6997	+0.0108	988 - 005	2.7113	2.6881	2.693	3.0	2.6795	3.0	2.6128	3.2	105.7
Greece (Dr)	425.339	+1.521	126 - 552	427.051	422.088	-	-	-	-	-	-	68.5
Ireland (I£)	1.0198	+0.0011	189 - 207	1.0209	1.0161	1.0195	0.4	1.0186	0.5	1.012	0.8	102.8
Italy (L)	2704.00	+6.69	221 - 580	2711.85	2684.62	2707.4	-1.5	2712.25	-1.2	2715.05	-0.4	75.7
Luxembourg (LFr)	55.6999	+0.2496	476 - 521	55.9170	55.4260	55.5749	2.7	55.3149	2.8	53.8899	3.1	103.9
Netherlands (Fl)	3.0371	+0.0103	359 - 382	3.0510	3.0247	3.029	3.2	3.0132	3.1	2.9377	3.3	103.5
Norway (NKr)	10.7179	-0.0535	139 - 218	10.8509	10.7057	10.6984	2.7	10.6449	2.7	10.4194	2.8	103.9
Portugal (Es)	271.467	+0.758	327 - 606	272.468	270.221	271.607	-0.6	271.892	-0.6	-	-	94.9
Spain (Pta)	229.266	+1.046	126 - 386	230.060	228.060	229.388	-0.7	229.256	0.0	227.781	0.6	78.0
Sweden (SKr)	12.2194	+0.0136	107 - 281	12.2628	12.1802	12.2004	1.9	12.1609	1.9	11.9649	2.1	84.0
Switzerland (SFr)	2.3287	+0.0235	273 - 300	2.3398	2.3082	2.3199	4.6	2.302	4.6	2.2178	4.9	103.3
UK (£)	-	-	-	-	-	-	-	-	-	-	-	96.7
Ecu -	1.3915	+0.004	906 - 924	1.3985	1.3861	1.3893	1.9	1.3846	2.0	1.3595	2.3	-
SDR† -	1.15379	-	-	-	-	-	-	-	-	-	-	-
Americas												
Argentina (Peso)	1.6030	+0.0091	026 - 033	1.6047	1.5892	-	-	-	-	-	-	-
Brazil (R$)	1.7022	+0.011	015 - 028	1.7033	1.6874	-	-	-	-	-	-	-
Canada (C$)	2.2123	+0.015	114 - 132	2.2164	2.1910	2.2084	3.2	2.1957	3.0	2.1511	2.6	84.6
Mexico (New Peso)	12.7049	+0.0485	941 - 157	12.7160	12.6103	-	-	-	-	-	-	-
USA ($)	1.6038	+0.0096	034 - 041	1.6055	1.5895	1.603	0.6	1.6013	0.6	1.595	0.5	104.0
Pacific/Middle East/Africa												
Australia (A$)	2.0405	+0.017	394 - 416	2.0463	2.0261	2.0404	0.1	2.0396	0.2	2.0355	0.2	98.1
Hong Kong (HK$)	12.4257	+0.0757	222 - 292	12.4383	12.3182	12.4211	0.4	12.4101	0.5	12.37	0.4	-
India (Rs)	57.5346	+0.3267	819 - 872	57.5890	57.0390	-	-	-	-	-	-	-
Israel (Shk)	5.3931	+0.022	866 - 996	5.3996	5.3392	-	-	-	-	-	-	-
Japan (Y)	196.347	-0.441	224 - 470	197.800	195.960	195.377	5.9	193.517	5.8	184.907	5.6	123.5
Malaysia (M$)	3.9752	+0.0259	735 - 769	3.9800	3.9401	-	-	-	-	-	-	-
New Zealand (NZ$)	2.3101	+0.0048	087 - 114	2.3189	2.2976	2.313	-1.5	2.3181	-1.4	2.3383	-1.2	115.1
Philippines (Peso)	42.2482	+0.2691	015 - 869	42.3010	41.9119	-	-	-	-	-	-	-
Saudi Arabia (SR)	6.0148	+0.0358	132 - 163	6.0211	5.9616	-	-	-	-	-	-	-
Singapore (S$)	2.3198	+0.013	185 - 211	2.3212	2.2968	-	-	-	-	-	-	-
South Africa (R)	7.1015	+0.0376	975 - 054	7.1087	7.0407	-	-	-	-	-	-	-
South Korea (Won)	1419.32	+9.25	580 - 284	1422.90	1406.71	-	-	-	-	-	-	-
Taiwan (T$)	44.1873	+0.2949	256 - 090	44.2095	43.7701	-	-	-	-	-	-	-
Thailand (Bt)	41.6173	+0.2318	922 - 424	41.6470	41.2870	-	-	-	-	-	-	-

† Rates for Mar 20. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T. The exchange rates printed in this table are also available on the internet at http://www.FT.com

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Mar 21	Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P Morgan index
Europe												
Austria (Sch)	11.8483	-0.0227	464 - 502	11.9185	11.8350	11.8336	1.5	11.7883	2.0	11.5883	2.2	103.7
Belgium (BFr)	34.7310	-0.0515	060 - 560	34.9370	34.6780	34.671	2.1	34.5435	2.2	34.0035	2.1	103.9
Denmark (DKr)	6.4160	-0.0127	150 - 170	6.4628	6.4105	6.4071	1.7	6.3887	1.7	6.307	1.7	105.8
Finland (FM)	5.0256	-0.0427	231 - 281	5.0625	5.0218	5.0168	2.1	4.9981	2.2	4.9156	2.2	82.7
France (FFr)	5.6830	-0.007	825 - 835	5.7137	5.6725	5.6723	2.3	5.6513	2.2	5.543	2.5	108.4
Germany (DM)	1.6834	-0.0033	832 - 835	1.6946	1.6809	1.6802	2.3	1.6737	2.3	1.64	2.6	105.3
Greece (Dr)	265.215	-0.835	140 - 290	266.950	264.790	266.77	-7.0	269.34	-6.2	280.365	-5.7	66.2
Ireland (I£)	1.5728	+0.0076	715 - 737	1.5748	1.5605	1.5721	0.3	1.5716	0.3	1.5729	0.0	-
Italy (L)	1686.05	-4.85	530 - 680	1693.70	1682.25	1689.05	-2.1	1693.8	-1.9	1703.7	-1.0	75.4
Luxembourg (LFr)	34.7310	-0.0515	060 - 560	34.9370	34.6780	34.671	2.1	34.5435	2.2	34.0035	2.1	103.9
Netherlands (Fl)	1.8937	-0.0049	934 - 940	1.9063	1.8917	1.8899	2.4	1.8819	2.5	1.8463	2.5	103.3
Norway (NKr)	6.6830	-0.0736	820 - 840	6.8142	6.6736	6.6792	0.7	6.6736	0.6	6.648	0.5	102.2
Portugal (Es)	169.270	-0.54	220 - 320	170.490	169.050	169.4	-0.9	169.55	-0.7	169.285	0.0	95.2
Spain (Pta)	142.950	-0.2	900 - 000	143.690	142.800	143.04	-0.8	143.16	-0.6	142.955	0.0	77.8
Sweden (SKr)	7.6193	-0.0371	155 - 230	7.6924	7.6038	7.6165	0.4	7.6067	0.7	7.5599	0.8	89.6
Switzerland (SFr)	1.4520	+0.0061	515 - 525	1.4622	1.4490	1.4472	3.9	1.4378	3.9	1.3922	4.1	103.7
UK (£)	1.6038	+0.0096	034 - 041	1.6055	1.5895	1.603	0.6	1.6013	0.6	1.595	0.5	96.3
Ecu -	1.1525	+0.0035	520 - 530	1.1538	1.1444	1.1537	-1.2	1.1562	-1.3	1.1715	-1.6	-
SDR† -	0.723835	-	-	-	-	-	-	-	-	-	-	-
Americas												
Argentina (Peso)	0.9985	-0.0003	985 - 985	0.9986	0.9985	-	-	-	-	-	-	-
Brazil (R$)	1.0614	+0.0005	612 - 615	1.0615	1.0601	-	-	-	-	-	-	-
Canada (C$)	1.3795	+0.0012	792 - 797	1.3819	1.3768	1.3766	2.5	1.3714	2.3	1.35	2.1	84.8
Mexico (New Peso)	7.9220	-0.017	170 - 270	7.9270	7.9170	8.04	-17.9	8.3065	-19.4	9.167	-15.7	-
USA ($)	-	-	-	-	-	-	-	-	-	-	-	105.2
Pacific/Middle East/Africa												
Australia (A$)	1.2723	+0.003	718 - 728	1.2747	1.2716	1.273	-0.7	1.2738	-0.5	1.2791	-0.5	100.8
Hong Kong (HK$)	7.7479	+0.0011	474 - 484	7.7486	7.7474	7.7478	0.0	7.7483	0.0	7.7594	-0.1	-
India (Rs)	35.8750	-0.01	500 - 000	35.9070	35.8470	36.09	-7.2	36.55	-7.5	-	-	-
Israel (Shk)	3.3628	-0.0063	595 - 661	3.3714	3.3592	-	-	-	-	-	-	-
Japan (Y)	122.430	-1.01	380 - 480	123.730	122.350	121.895	5.2	120.87	5.1	116.07	5.2	123.3
Malaysia (M$)	2.4787	+0.0014	782 - 792	2.4815	2.4761	2.4815	-1.4	2.4869	-1.3	2.5082	-1.2	-
New Zealand (NZ$)	1.4404	-0.0056	399 - 409	1.4455	1.4391	1.4427	-1.9	1.447	-1.8	1.4677	-1.9	-
Philippines (Peso)	26.3440	+0.011	200 - 680	26.3680	26.3200	-	-	-	-	-	-	-
Saudi Arabia (SR)	3.7505	-	503 - 506	3.7506	3.7502	3.7508	-0.1	3.7512	-0.1	3.7531	-0.1	-
Singapore (S$)	1.4465	-0.0005	460 - 470	1.4500	1.4418	1.4443	1.8	1.4397	1.9	1.4185	1.9	-
South Africa (R)	4.4280	-0.003	265 - 295	4.4320	4.4260	4.4687	-11.0	4.5437	-10.5	4.8585	-9.7	-
South Korea (Won)	885.000	+0.5	000 - 000	887.000	882.800	-	-	-	-	-	-	-
Taiwan (T$)	27.5400	+0.02	200 - 600	27.5620	27.5170	27.5401	0.0	27.5403	0.0	-	-	-
Thailand (Bt)	25.9500	-0.01	400 - 600	25.9760	25.9370	26.04	-4.2	26.2075	-4.0	26.845	-3.4	-

† SDR rate per $ for Mar 20. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Mar 20: Base average 1990=100.
The exchange rates printed in this table are also available on the internet at http://www.FT.com

WORLD INTEREST RATES

MONEY RATES

March 21	Over night	One month	Three mths	Six mths	One year	Lomb. Inter.	Dis. rate	Repo rate
Belgium	3⅜	3⅛	3⅛	3⅛	3⅜	6.00	2.50	-
week ago	3 13/16	3⅛	3⅛	3⅛	3½	6.00	2.50	-
France	3⅛	3⅛	3 13/32	3⅛	3⅛	3.10	-	4.75
week ago	3¼	3⅛	3⅛	3⅜	3⅝	3.10	-	4.75
Germany	3⅛	3¼	3¼	3⅛	3⅛	4.50	2.50	3.00
week ago	3⅛	3¼	3⅛	3⅛	3⅛	4.50	2.50	3.00
Ireland	5⅛	5¾	5¾	5⅝	5⅝	-	-	6.25
week ago	5⅜	5⅝	5¾	5⅞	5⅞	-	-	6.25
Italy	7⅛	7⅛	7 13/32	7¼	7⅛	8.25	6.75	7.41
week ago	7⅜	7⅛	7⅛	7⅛	7⅛	8.25	6.75	7.35
Netherlands	3⅜	3⅛	3¼	3⅛	3⅜	-	3.00	3.30
week ago	3⅛	3⅛	3⅛	3¼	3⅛	-	3.00	3.30
Switzerland	1¾	2	1⅞	1⅞	1⅞	-	1.00	-
week ago	1⅞	2	1⅞	1⅞	1⅞	-	1.00	-
US	5⅜	5⅝	5⅝	6	6⅛	-	5.00	-
week ago	5⅜	5⅝	5⅝	5⅝	5⅝	-	5.00	-
Japan	⅜	½	½	½	¾	-	0.50	-
week ago	⅜	½	½	⅝	⅞	-	0.50	-
■ $ LIBOR FT London								
Interbank Fixing	-	5⅝	5⅝	5⅞	6⅛	-	-	-
week ago	-	5⅝	5⅝	5¾	6⅛	-	-	-
US Dollar CDs	-	5.45	5.52	5.64	5.93	-	-	-
week ago	-	5.45	5.25	5.35	5.61	-	-	-
ECU Linked Ds	-	4⅛	4⅛	4⅛	4⅛	-	-	-
week ago	-	4⅛	4⅛	4⅛	4⅛	-	-	-
SDR Linked Ds	-	3⅛	3⅜	3⅛	3⅝	-	-	-
week ago	-	3⅛	3⅜	3⅛	3⅝	-	-	-

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo Mitsubishi, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Mar 21	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	3⅜ - 3¼	3⅜ - 3¼	3⅝ - 3½	3⅝ - 3½	3 13/16 - 3 11/16	3⅝ - 3½
Danish Krone	3 9/16 - 3 11/32	3 19/32 - 3 7/16	3 11/16 - 3 9/16	3¾ - 3⅝	3 29/32 - 3¾	4 3/32 - 4
German Mark	3⅛ - 3	3 5/32 - 3⅛	3 5/16 - 3 3/16	3 5/16 - 3 3/16	3 11/32 - 3 7/32	3 7/16 - 3 5/16
Dutch Guilder	3¼ - 3⅛	3 7/32 - 3⅛	3¼ - 3⅛	3 5/16 - 3 7/32	3½ - 3⅜	3½ - 3 13/32
French Franc	3 9/32 - 3 3/16	3 5/16 - 3 7/32	3⅜ - 3 9/32	3 7/16 - 3 9/32	3 19/32 - 3⅜	3 19/32 - 3 13/32
Portuguese Esc.	6 7/32 - 6 3/16	6 9/32 - 6 7/32	6 9/32 - 6 3/16	6 9/32 - 6 3/16	6 5/16 - 6 3/16	6 5/16 - 6 9/32
Spanish Peseta	5⅞ - 5 13/16	5⅞ - 5 13/16	5⅞ - 5¾	5 29/32 - 5 13/16	5 15/16 - 5¾	5⅞ - 5 13/16
Sterling	6⅛ - 6	6 1/16 - 5 15/16	6⅛ - 6 1/16	6 5/16 - 6¼	6 9/16 - 6½	6 13/16 - 6 11/16
Swiss Franc	2 - 1½	2 1/16 - 2 1/16	2⅛ - 1⅞	2 - 1⅞	1 15/16 - 1 13/16	2 - 1¾
Canadian Dollar	2 13/16 - 2¾	3 1/16 - 3	3 5/32 - 3 3/32	3 5/16 - 3 3/16	3 19/32 - 3 7/16	4 3/32 - 3 31/32
US Dollar	5 11/16 - 5 7/32	5 13/32 - 5 13/32	5 19/32 - 5 15/32	5⅞ - 5¾	6 3/32 - 5 31/32	6 5/16 - 6 3/16
Italian Lira	8 - 7	7⅜ - 7 9/32	7⅜ - 7 9/32	7⅜ - 7 9/32	7 3/32 - 7 5/16	7 3/32 - 7⅛
Japanese Yen	9/16 - ½	1 - ⅞	¾ - ⅝	¾ - ⅝	13/16 - 11/16	15/16 - 13/16
Asian $Sing	3¾ - 3⅝	3½ - 3⅜	3⅜ - 3¼	3⅜ - 3¼	3⅜ - 3¼	3 7/16 - 3 5/16

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ THREE MONTH EURODOLLAR (IMM) $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	94.07	94.07	+1.96	94.08	94.05	182,878	503,206
Sep	93.82	93.81	-0.44	93.84	93.79	157,455	387,704
Dec	93.60	93.58	-0.58	93.62	93.57	101,489	263,280

■ US TREASURY BILL FUTURES (IMM) $1m per 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.74	94.72	-0.05	94.75	94.72	227	1,963
Jun	94.62	94.61	-0.03	94.62	94.60	209	5,555
Sep	94.38	94.36	-0.03	94.38	94.35	55	2,613

All Open interest figs. are for previous day

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Mar 21	BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium (BFr)	100	18.47	16.36	4.846	1.831	4855	5.452	19.25	487.4	411.7	21.94	4.181	1.795	3.971	2.880	352.4	2.499
Denmark (DKr)	54.13	10	8.857	2.623	0.991	2628	2.951	10.42	263.8	222.8	11.88	2.263	0.972	2.150	1.559	190.8	1.353
France (FFr)	61.11	11.29	10	2.961	1.119	2967	3.332	11.76	297.9	251.6	13.41	2.555	1.097	2.427	1.760	215.4	1.527
Germany (DM)	20.64	3.813	3.377	1	0.378	1002	1.125	3.972	100.6	84.96	4.528	0.863	0.371	0.820	0.594	72.73	0.516
Ireland (I£)	54.61	10.09	8.935	2.646	1	2651	2.977	10.51	266.2	224.8	11.98	2.283	0.980	2.169	1.573	192.5	1.365
Italy (L)	2.060	0.381	0.337	0.100	0.038	100.	0.112	0.396	10.04	8.480	0.452	0.086	0.037	0.082	0.059	7.260	0.051
Netherlands (Fl)	18.34	3.388	3.001	0.889	0.336	890.4	1	3.530	89.40	75.50	4.024	0.767	0.329	0.728	0.528	64.64	0.458
Norway (NKr)	51.96	9.599	8.502	2.518	0.951	2522	2.833	10	253.3	213.9	11.40	2.173	0.933	2.063	1.496	183.1	1.299
Portugal (Es)	20.52	3.790	3.357	0.994	0.376	995.9	1.119	3.948	100.	84.46	4.501	0.858	0.368	0.815	0.591	72.30	0.513
Spain (Pta)	24.29	4.488	3.975	1.177	0.445	1179	1.324	4.675	118.4	100.	5.329	1.016	0.436	0.965	0.700	85.61	0.607
Sweden (SKr)	45.58	8.421	7.458	2.209	0.835	2213	2.485	8.773	222.2	187.6	10	1.906	0.818	1.810	1.313	160.6	1.139
Switzerland (SFr)	23.92	4.418	3.913	1.159	0.438	1161	1.304	4.603	116.6	98.45	5.247	1	0.429	0.950	0.689	84.29	0.598
UK (£)	55.70	10.29	9.114	2.699	1.020	2704	3.037	10.72	271.5	229.3	12.22	2.329	1	2.212	1.604	196.3	1.392
Canada (C$)	25.18	4.652	4.120	1.220	0.461	1222	1.373	4.846	122.7	103.7	5.524	1.053	0.452	1	0.725	88.74	0.629
US ($)	34.73	6.415	5.682	1.683	0.636	1686	1.893	6.683	169.3	143.0	7.618	1.452	0.623	1.379	1	122.4	0.868
Japan (Y)	28.37	5.242	4.643	1.375	0.520	1377	1.547	5.461	138.3	116.8	6.225	1.186	0.509	1.127	0.817	100.	0.709
Ecu	40.01	7.392	6.547	1.939	0.733	1943	2.182	7.701	195.0	164.7	8.779	1.673	0.718	1.589	1.152	141.0	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ D-MARK FUTURES (IMM) DM 125,000 per DM

	Open	Sett price	Change	High	Low	Est.vol	Open int.
Jun	0.5941	0.5966	+0.0022	0.5984	0.5934	40,208	62,929
Sep	0.5983	0.6004	+0.0022	0.6018	0.5979	248	2,524
Dec	-	0.6044	+0.0022	0.6050	0.6050	4	135

■ SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr

	Open	Sett price	Change	High	Low	Est.vol	Open int.
Jun	0.6942	0.6924	-0.0024	0.6961	0.6898	26,311	38,440
Sep	0.6990	0.6994	-0.0023	0.7022	0.6976	451	2,082
Dec	-	0.7066	-0.0023	0.7090	0.7051	7	258

■ JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100

	Open	Sett price	Change	High	Low	Est.vol	Open int.
Jun	0.8181	0.8237	+0.0057	0.8275	0.8180	27,157	62,031
Sep	0.8320	0.8348	+0.0057	0.8377	0.8320	45	763
Dec	0.8430	0.8463	+0.0057	0.8511	0.8430	1	254

■ STERLING FUTURES (IMM) £62,500 per £

	Open	Sett price	Change	High	Low	Est.vol	Open int.
Jun	1.5916	1.6024	+0.011	1.6038	1.5870	5,364	37,362
Sep	1.6000	1.6000	+0.0112	1.6000	-	4	668
Dec	-	1.5976	+0.0114	1.5990	-	78	91

■ PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)

Strike Price	CALLS Apr	CALLS May	CALLS Jun	PUTS Apr	PUTS May	PUTS Jun
1.590	2.01	2.77	3.31	0.77	1.59	2.19
1.600	1.40	2.26	2.36	0.99	2.03	3.14
1.610	0.94	1.80	1.80	1.62	2.52	-

Previous day's vol., Calls 380 Puts 97 . Prev. day's open int., Calls 29,114 Puts 33,003

■ PHILADELPHIA SE D-MARK/$ OPTIONS DM62,500 ($ per DM)

Strike Price	CALLS Apr	CALLS May	CALLS Jun	PUTS Apr	PUTS May	PUTS Jun
0.590	0.76	1.18	1.43	0.41	0.69	0.85
0.595	0.52	0.90	1.16	0.64	0.92	1.06
0.600	0.33	0.66	0.93	0.95	1.20	1.36

Previous day's vol., Calls 1,844Puts 2,702 . Prev. day's open int., Calls 27,473Puts 39,540

UK INTEREST RATES

LONDON MONEY RATES

Mar 21	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	6 1/16 - 5½	6 1/16 - 5 13/16	6⅛ - 5 31/32	6⅛ - 6 7/32	6 11/16 - 6½	7 - 6⅞
Sterling CDs	-	-	6 3/32 - 5 31/32	6 5/32 - 6 3/32	6⅜ - 6 5/16	6 21/32 - 6 19/32
Treasury Bills	-	-	5 13/16 - 5⅞	6 - 5 15/16	-	-
Bank Bills	-	-	5 13/16 - 5⅞	6 - 5 15/16	6 5/16 - 6 3/16	-
Local authority deps.	5 13/16 - 5 11/16	5 13/16 - 5 13/16	6 1/16 - 5 15/16	6 3/32 - 6 1/32	6 11/32 - 6 1/32	6 13/32 - 6 13/32
Discount Market deps	6 1/16 - 5¾	6 - 5⅞	-	-	-	-

UK clearing bank base lending rate 6 per cent from October 30, 1996

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	2½	5½	5	5	4¾

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1¼pc.
Ave. tender rate of discount on Mar 21, 5.9914pc. ECGD fixed rate Stlg. Export Finance. Make up day Feb 28, 1997. Agreed rate for period Mar 26, 1997 to Apr 21, 1997, Scheme III 7.53pc. Reference rate for period Feb 1, 1997 to Feb 28, 1997, Schemes IV & V 6.286pc. Finance House Base Rate 6½pc from Mar 1, 1997

BANK OF ENGLAND TREASURY BILL TENDER

	Mar 21	Mar 14		Mar 21	Mar 14
Bills on offer	£400m	£400m	Top accepted rate	5.8964%	5.8560%
Total of applications	£1984m	£1857m	Ave. rate of discount	5.9914%	5.8425%
Total allocated	£400m	£400m	Average yield	6.0823%	5.9282%
Min. accepted bid	£98.505	£98.540	Offer at next tender	£400m	£400m
Allotment at min. level	70%	46%	Min. accept. bid 92 days	-	-

■ Pound in New York

Mar 21	—Close—	— Prev. close —
£ spot	1.6035	1.5935
1 mth	1.6029	1.5928
3 mth	1.6010	1.5910
1 yr	1.5923	1.5828

FT GUIDE to WORLD CURRENCIES

The FT Guide to World Currencies table can be found on the Markets page in today's edition.

BASE LENDING RATES

	%		%		%
Adam & Company	6.00	Duncan Lawrie	6.00	Royal Bk of Scotland	6.00
Allied Irish Bank (GB)	6.00	Exeter Bank Limited	7.00	●Singer & Friedlander	6.00
●Henry Ansbacher	6.00	Financial & Gen Bank	7.00	●Smith & Williamson Secs	6.00
Bank of Baroda	6.00	●Robert Fleming & Co	6.00	Scottish Widows Bank	6.00
Banco Bilbao Vizcaya	6.00	●Guinness Mahon	6.00	TSB	6.00
Bank of Cyprus	6.00	Habib Bank AG Zurich	6.00	United Bank of Kuwait	6.00
Bank of Ireland	6.00	●Hambros Bank	6.00	Unity Trust Bank Plc	6.00
Bank of India	6.00	Heritable & Gen Inv Bk	6.00	Western Trust	6.00
Bank of Scotland	6.00	●Hill Samuel	6.00	Whiteaway Laidlaw	6.00
Barclays Bank	6.00	C. Hoare & Co	6.00	Yorkshire Bank	6.00
Brit Bk of Mid East	6.00	Hongkong & Shanghai	6.00		
●Brown Shipley & Co Ltd	6.00	Investec Bank (UK) Ltd	6.00		
Citibank NA	6.00	Julian Hodge Bank	6.00		
Clydesdale Bank	6.00	●Leopold Joseph & Sons	6.00		
The Co-operative Bank	6.00	Lloyds Bank	6.00		
Coutts & Co	6.00	Midland Bank	6.00		
Cyprus Popular Bank	6.00	NatWestminster	6.00		
		●Rea Brothers	6.00		

● Members of London Investment Banking Association
* In administration

OTHER STATISTICS

STOCK INDICES

	Mar 21	Mar 20	Mar 19	Mar 18	Mar 17	1996/97 High	1996/97 Low	Since comp. High	Since comp. Low
FTSE 100	4254.80	4258.10	4332.20	4356.80	4373.30	4444.30	3632.30	4444.30	986.90
FTSE 250	4565.00	4565.20	4652.90	4661.50	4692.00	4729.40	4015.30	4729.40	1379.40
FTSE 250 ex IT	4602.30	4602.10	4693.80	4701.90	4734.90	4773.80	4024.40	4773.80	1378.30
FTSE 350	2104.40	2105.70	2143.10	2153.80	2163.00	2194.30	1816.60	2194.30	664.50
FTSE SmallCap	2320.74	2321.50	2343.10	2352.40	2365.19	2374.20	1954.06	2374.20	1363.79
FTSE SmallCap ex IT	2326.88	2327.52	2349.87	2359.63	2373.86	2382.36	1269.87	2382.36	1269.87
FTSE All-Share	2078.60	2079.85	2115.40	2125.56	2135.02	2163.94	1791.95	2163.94	61.92
FTSE Fledgling	1306.95	1309.73	1325.40	1330.62	1339.55	1346.52	1108.94	1346.52	31.14
FTSE Eurotrack 100	2130.07	2121.04	2141.03	2146.86	2164.22	2231.98	1504.40	2231.98	900.45
FTSE Eurotrack 200	1250.57	2143.65	2172.34	2176.63	2196.22	2258.03	1250.57	2258.03	938.62
FT 30	2822.70	2833.40	2868.70	2881.20	2897.00	2981.40	2558.80	2981.40	49.40
FT Govt Securities	93.90	93.88	94.07	94.58	94.71	96.74	91.57	127.40	49.18
FT Fixed Interest	117.88	118.05	118.10	118.23	118.69	120.18	110.60	133.87	50.53
FT Gold Mines	1730.39	1735.22	1753.28	1858.63	1770.23	2520.73	1574.81	2520.73	922.16

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1996/97 High	1996/97 Low	Stock	Closing price p	+or-
137	Nil	2/4	41½pm	27½pm	Grantchester	36½pm	
100	Nil	3/4	25pm	12½pm	PTS	12½pm	-1½
300	Nil	9/4	35½pm	32½pm	Partco	32½pm	

pm premium.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1996/97 High	1996/97 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
§125	F.P.	20.7	148½	120½	†Aortech	120½		-	-	-	-
§100	F.P.	25.0	100	100	Aurora Inv Trust	100		-	-	-	-
§50	F.P.	21.8	64	43½	†Birmingham City	43½	-2	-	-	-	-
-	F.P.	2.88	17½	13¼	†Cambridge Mineral	13¼	-¼	-	-	-	-
§ -	F.P.	13.8	63	55	†Charlton Athltc	63		-	-	-	-
§250	F.P.	86.7	335	292½	Core Group	298	-3	-	-	-	-
§200	F.P.	12.2	270	240	†Dobbies Garden	260		L4.5	2.2	2.2	16.4
§ -	F.P.	10.8	71½	71½	Donatantonio	71½		L2.25	1.7	3.9	13.1
525	F.P.	2,441	570½	463½	Energy Group	469½	+2	W21.0	2.5	5.6	9.0
§160	F.P.	24.5	189½	176½	Girovend Cah Sys	189½		-	-	-	-
§28	F.P.	6.00	31½	28½	Howle	31		-	-	-	1.6
§195	F.P.	111.9	247½	243	KBC Advanced Tc	244½	-3	L3.29	2.5	1.7	27.0
§200	F.P.	82.4	278½	259	London Bridge Sw	265½	+4	-	-	-	32.1
§	F.P.	13.8	69½	69½	M & G High Inc	69½		W5.2	-	9.5	-
	F.P.	1.82	10	9	M & G High Cap	9		-	-	-	-
	F.P.	20.7	102½	99½	M & G High Pckg	102½	+½	W5.2	-	6.3	-
	F.P.	16.2	80½	77½	M & G High Unit	80		W5.2	-	8.1	-
	F.P.	63.0	292½	220	Pad Group	280½	-2	5.43	2.4	2.6	20.3
§ -	F.P.	19.9	122½	119½	†Q Group	119½		-	-	-	-
§100	F.P.	29.7	100	99	River&Merc 1st UK	99	-½	-	-	-	-
§	F.P.	10.1	6	3¼	†Screen	5¼	-¼	-	-	-	21.8
§145	F.P.	24.5	152½	150½	†Total Office Grp	152½		L4.8	2.6	3.9	9.8
§110	F.P.	119.1	124½	119½	Usher Trowbridge	120½		W3.5	3.0	3.6	11.6
§40	F.P.	5.93	43½	40½	†VFG	41½		-	-	-	26.2

† Alternative Investment Market. § Placing price. * Introduction. For a full explanation of all other symbols please refer to The London Share Service notes.

BANK RETURN

BANKING DEPARTMENT	Wednesday March 19, 1997	Increase or decrease for week
	£	£
Liabilities		
Capital	14,553,000	
Public deposits	922,180,983	-270,287,213
Bankers deposits	1,939,874,229	-144,148,981
Reserve and other accounts	3,469,657,054	+276,718,293
	6,346,265,266	-137,717,901
Assets		
Government securities	1,283,167,115	+745,000
Advance and other accounts	3,839,642,307	-879,905,697
Premises, equipment and other secs	1,216,507,507	+741,485,073
Notes	6,840,108	-36,837
Coin	108,229	-5,440
	6,346,265,266	-137,717,901
ISSUE DEPARTMENT		
Liabilities		
Notes in circulation	20,853,159,892	+110,036,837
Notes in Banking Department	6,840,108	-36,837
	20,860,000,000	+110,000,000
Assets		
Other Government securities	14,301,948,234	+148,975,084
Other Securities	6,558,051,766	-38,975,084
	20,860,000,000	+110,000,000

FT GOLD MINES INDEX

	Mar 21	% chg since 31/12/96	Mkt Cap $bn	% of Gold Mines	Gross div yield %	P/E ratio	52 week High	52 week Low
Gold Mines Index† (32)	1730.39	-5.2	47.86	100.00	1.94	-	2405.53	1574.81
■ Regional Indices								
Africa (14)	2065.54	-2.9	12.28	25.67	4.34	33.15	3252.18	1918.45
Australasia (6)	1973.92	-11.0	5.19	10.85	2.73	21.34	2844.14	1941.72
North America (12)	1608.99	-4.7	30.39	63.49	0.83	81.56	2134.81	1550.58

Copyright, FTSE International Limited 1997. All rights reserved. Figures in brackets show number of companies. Basis US Dollars. Base Value: 1000.00 31/12/92. † Partial. Market closed 21/3/97: South Africa.

UK GILTS PRICES

	Notes	Price £	Wk % +/-	Amnt £m	Interest due	Last xd	City line
Shorts" (Lives up to Five Years)							
Treas Cnv 7pc 1997‡‡		100 1/32	-.1	1,988	Fe6 Au6	28.1	4461
Treas 8¾pc 1997‡‡		101 1/32	-.2	6,550	Mr1 Se1	20.2	1341
Exch 15pc 1997		106	-.2	830	Oc27 Oc27	17.10	1269
Exch 9¾pc 1998		102 5/16	-.3	3,550	Jy19 Ja19	9.1	1273
Treas 7¼pc 1998‡‡		100⅝xd	-.3	8,150	Se30 Mr30	19.3	1786
Treas 15½pc '98‡‡		112 5/16xd	-.6	935	Mr30 Se30	19.3	1308
Exch 12pc 1998		107 13/16	-.5	3,909	My20 Nv20	11.11	1259
Treas 9½pc 1999‡‡		104 13/16	-.6	1,900	Jy15 Ja15	6.1	1347
Treas Flg Rate 1999‡‡		100 3/32	—	5,700	MrJeSeDe	2.12	4945
Exch 12¼pc 1999		109¾xd	-.7	3,050	Se26 Mr26	17.3	1264
Treas 10½pc 1999		106 13/32	-.7	1,252	Nv19 My19	8.11	1288
Treas 6pc 1999‡‡		97 13/32	-.8	8,950	Fe10 Au10	30.1	3635
Conversion 10¼pc 1999		107 5/16	-1.0	1,708	My22 Nv22	13.11	1242
Conv 9pc 2000‡‡		104¼	-.9	5,358	Se3 Mr3	20.2	1244
Treas 13pc 2000		116⅝	-1.1	3,171	Ja14 Jy14	3.1	1290
Treas 14pc 1998-1		108 1/16	-.5	970	Nv22 My22	13.11	1306
Treas 8pc 2000‡‡		102 13/16	-1.2	9,800	Ja7 De7	28.11	4948
Treas Flg Rate 2001		100⅛	—	3,000	MrJeSeDe	7.1	-
Treas 10pc 2001		108 13/16	-1.2	4,406	Au26 Fe26	17.2	1280
Treas 7pc 2001‡‡		99 13/32	-1.3	12,750	My6 Nv6	28.10	3081
Five to Fifteen Years							
Treas 7pc 2002‡‡		98 13/16	-1.5	4,000	De7 Je7	-	-
Treas 9¾pc 2002		110¾	-1.5	6,527	Fe27 Au27	18.2	1349
Treas 8pc 2003‡‡		102 13/16	-1.6	8,600	Ja10 De10	28.11	2010
Treas 10pc 2003		112 5/16	-1.6	2,506	Mr8 Se8	27.2	1281
Treas 11½pc 2001-4		114 5/16	-1.1	1,620	Se19 Mr19	10.3	1280
Funding 3½pc 1999-4		89 13/16	-2.3	543	Ja14 Jy14	3.1	1274
Conversion 9½pc 2004		111 5/16	-1.6	3,410	Oc25 Oc25	18.10	1246
Treas 6¾pc 2004‡‡		95⅞	-1.8	6,500	My26 Nv26	15.11	3541
Conv 9½pc 2005		111 5/16	-1.7	4,842	Oc18 Ap18	9.10	1247
Treas 12½pc 2003-5		125 13/16	-1.5	2,280	My21 Nv21	12.11	1295
Treas 8½pc 2005‡‡		105 13/16	-1.7	10,373	Ja7 De7	28.11	4946
Treas 7½pc 2006‡‡		99 5/16	-1.9	11,700	Ja7 De7	28.11	1148
Treas 7¾pc 2006‡‡		100⅝	-1.8	4,000	Mr8 Se8	27.2	2300
Treas 8pc 2002-6‡‡		101⅞	-1.2	2,050	Ap5 Oc5	26.9	1334
Treas 11¾pc 2003-7		118⅝xd	-1.6	3,150	Jy22 Ja22	13.1	1293
Treas 8½pc 2007‡‡		106 5/16	-1.9	7,397	Ja16 Jy16	7.1	1339
Treas 7 1/4pc 2007‡‡		97 5/16	-1.9	2,500	Ja7 De7	-	-
Treas 9pc 2008‡‡		109 13/32	-1.9	5,621	Ap13 Oc13	3.10	1343
Treas 8pc 2009		102 13/32xd	-1.5	3,450	Mr25 Se25	14.3	1336
Treas 6 1/4pc 2010‡‡		87¼	-2.0	4,750	Mr25 Nv25	14.11	4632
Conv 9pc Ln 2011‡‡		110 13/32	-1.9	5,273	Jy12 Ja12	2.1	1245
Over Fifteen Years							
Treas 9pc 2012‡‡		111	-2.0	5,360	Fe6 Au6	28.1	1701
Treas 5½pc 2008-12‡‡		81 13/32	-1.9	1,000	Mr10 Se10	27.2	1330
Treas 8pc 2013‡‡		102¼xd	-2.0	6,100	Mr27 Se27	18.3	2229
Treas 7¾pc 2012-15‡‡		99 13/32	-1.8	800	Jy26 Ja26	16.1	1332
Treas 8pc 2015‡‡		102 13/16	-1.9	13,787	Ja7 De7	28.11	4982
Treas 8¾pc 2017‡‡		108 13/32	-2.0	7,550	Fe25 Au25	14.2	1982
Treas 8pc 2021‡‡		103⅛	-2.1	11,500	Ja7 De7	28.11	-
Undated							
Consols 4pc		50 13/32	-.7	359	Au1 Au1	24.1	1239
War Loan 3½pc‡‡		45 5/32	-2.0	1,909	Je1 De1	18.11	1352
Conv 3½pc '61 Aft		61 13/32xd	-2.3	115	Oc1 Oc1	19.3	1249
Treas 3pc '66 Aft		37⅜	-1.9	56	Ap5 Oc5	28.9	1324
Consols 2½pc		31 13/32	-5.0	276	5DeApJyOc	23.12	1238
Treas. 2½pc		31 13/32xd	-2.5	475	Ap1 Oc1	19.3	1315
Index-Linked	(b)						
4⅝pc '98‡‡	(135.6)	114	-.2	800	Ap27 Oc27	17.10	1753
2½pc '01	(78.3)	185 13/32xd	-.2	2,150	Mr24 Se24	13.3	1316
2½pc '03	(78.8)	181 13/32	-.3	2,300	My20 Nv20	11.11	1317
4⅜pc '04‡‡	(135.6)	117 13/32	-.4	1,150	Ap21 Oc21	10.10	1255
2pc '06	(69.5)	191½	-.5	2,350	Ja19 Jy19	9.1	1314
2½pc '09	(78.8)	172 5/16	-.6	2,400	My20 Nv20	11.11	1318
2½pc '11	(74.6)	178¼	-.5	2,850	Fe23 Au23	13.2	1319
2½pc '13	(89.2)	149 13/32	-.6	3,400	Fe16 Au16	6.2	1320
2½pc '16	(81.6)	158 13/32	-.6	3,400	Ja26 Jy26	16.1	1321
2½pc '20	(83.0)	149¼	-.6	3,350	Ap16 Oc16	7.10	1322
2½pc '24‡‡	(97.7)	124 5/16	-.7	3,499	Ja17 Jy17	8.1	1323
4⅛pc '30‡‡	(135.1)	122xd	-.7	1,300	Ja16 Jy22	13.1	1134

(b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for July 1996: 152.4 and for February 1997: 155.0.

Other Fixed Interest

	Notes	Price £	Wk % +/-	Amnt £m	Interest due	Last xd	City line
Asian Dev 10¼pc 2009		117⅞	-2.2	100	Mr24 Se24	3.93	-
B'ham 11½pc 2012		138½	—	45	My15 Nv15	15.10	1837
Leeds 13½pc 2006		135½xd	-.7	40	Ap1 Oc1	10.3	3146
Liverpool 3½pc Irred		42xd	—	5	1ApJyOcJa	3.3	-
LCC 3pc '20 Aft		36	-2.7	26	1MrJeSeDe	3.2	-
Manchester 11½pc 2007		125½	—	6	Ap25 Oc25	30.9	3275
Met. Wtr. 3pc 'B'		82	—	25	Mr1 Se1	3.2	3361
N'wide Anglia 3⅞pc 2021		144 5/16	-1.6	60	Ja30 Jy30	16.12	3466
4¼pc IL 2024		138¼	-1.7	50	Au23 Fe23	13.1	-
Utd Mex States 16½pc 2008		135	—	50	Mr1 Se1	30.1	-

● "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock. Weekly percentage changes are calculated on a Friday to Friday basis.

MERCURY SELECTED TRUST (SICAV)
R.C. Luxembourg:B.6317
MERCURY OFFSHORE STERLING TRUST (SICAV)
R.C. Luxembourg:B.24.990
("The Companies")
Registered Office: 6D, route de Trèves, Senningerberg

NOTICE TO SHAREHOLDERS

Shareholders are informed that RBS Trust Bank Ltd; Luxembourg Branch became the Companies' Custodian and Administrator on 22nd March 1997. There will be no increase in the charges made to the Companies for these services.

Addenda to the Companies Prospectuses were issued on 22nd March 1997 describing these and other changes. Copies of the Addenda are available on request from the registered offices of the Companies and from the new Paying Agent in the UK; SBC Warburg (a division of Swiss Bank Corporation), Swiss Bank House, 1 High Timber Street, London EC4V 3SB, for the attention of : Corporate Action - Paying Agency.

24th March 1997 The Board of Directors

The FT GUIDE TO WORLD CURRENCIES, published in Monday's newspaper and covering over 200 currencies, is now available by dialling the following number from the keypad or handset of your fax machine. 0891 437 001.
Calls are charged at 39p/min cheap rate and 49p/min at all other times. For service outside the UK please telephone +44 171 873 4378 for details on Cityline International.

If you would like to advertise, or require any further information, please contact:
Jeremy Nelson
Tel: 0171-873-3447 Fax: 0171-873-3062

LONDON SHARE SERVICE

ALCOHOLIC BEVERAGES

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BANKS, RETAIL

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BREWERIES, PUBS & REST

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING & CONSTRUCTION

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING MATS. & MERCHANTS

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CHEMICALS - Cont.

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DISTRIBUTORS

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DIVERSIFIED INDUSTRIALS

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRICITY

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ELECTRONIC & ELECTRICAL EQPT

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING - Cont.

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

ENGINEERING, VEHICLES

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EXTRACTIVE INDUSTRIES

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EXTRACTIVE INDUSTRIES - Cont.

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FOOD PRODUCERS

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

GAS DISTRIBUTION

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HEALTH CARE

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HOUSEHOLD GOODS

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCE - Cont.

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS

Approved by the Inland Revenue

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INVESTMENT TRUSTS - Cont.

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INV TRUSTS SPLIT CAPITAL

Approved by the Inland Revenue

Notes	Price	W'k% change	Div net	Div cov	Dividends paid	Last xd	City line
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Fidelity Asian Values ... 87¼ -4.6 — — — 100.4 — 1993
Warrants ... 5¾ -0.9 — — — 0.66 — 1771
Fidelity Euro Vals ... 247½ -1.5 — — — 141.3 3.96 2287
Warrants ... 15½ -3 — — — 1.3 — 1771
Lnd Uns Ln 2001 ... 193½ — 3.75 Mar Sep — 38.2 9.13 4763
Fidelity Jap Vals ... 39½ -1.5 0.1 May — 41.6 25.3 4763
Warrants ... 11½ — — — — 3.45 — 4763
Fidelity Special Vals ... 95 -1.5 — — — 41.8 — 4763
Warrants ... 38 0.4 — — — 4.11 — 4763
F. Uns Ln 2004 ... 120½ -1.5 71.3% Jan Dec — 50.2 9.17 4763
Finsbury Growth ... 144 -1 3.3 Jul Dec — 75.4 25.11 3564
Finsbury Technology ... 100 -4.3 — — — 28.5 — 3564
Finsbury Tst ... 229 -2 2.6 Jul Dec — 18.8 6.11 3564
A ... 223½ -3 2.6 Jul Dec — 35.8 6.11 3564
Finsbury Wards Prime ... 69 -1.1 13.2 — 6.0 May Oct — 75.2 13.5 1122
First Ireland ... 145½ -1.0 2.1 Jul Dec — 52.4 35.5 6259
First Philippine ... 48 -1.6 — — — 54.0 2.94 2466
Fleming American ... 428½ -1.6 2.8 Apr — 288.8 9.36 2731
7pc Cv Un Ln '98 ... £38½ -1.1 0.7% Jun Dec — 71.2 25.5 2731
Fleming Chinese ... 73¼ -1.3 0.5 Dec — 44.8 23.11 3324
Warrants ... 27½ -3.5 — — — 3.39 — 3324
Fleming Claverhouse ... 322 -0.5 5.6% Mar Sep 18.4 77.1 2563
Fling Cont Euro ... 428 -1.0 4.8 Jul — 27.8 13.5 2563
Fleming Emrg Mkts ... 137½ -2.7 0.24 Oct — 12.0 9.9 2766
Warrants ... 2½ -2.5 — — — 4.5 — 2766
Fleming Enrg ... 247½ -1.6 5.3 Apr Oct — 38.8 10.3 2766
Fleming Far Eastn ... 136 -1.6 — Jul — 74.4 6.99 2766
Warrants ... 37½ -4.5 — — — 4.01 — 2766
Fleming Far East ... 267 -2.0 1.3 Jul — 40.7 10.6 2766
Fleming Flagship ... 418½ -1.9 2.0 Apr Sep 52.6 17.3 2766
Fleming Indian ... 47½ -4.0 — — — 43.3 12.94 4366
Warrants ... 8 -1.0 — — — 2.5 — 4366
Fleming Japan ... 178½ -1.5 — Dec — 351.5 11.93 2766
Warrants ... 30½ 6.0 — — — 12.3 — 2766
Fleming Merc ... 377½ -1.3 8.05% Feb Aug 543.9 9.12 2766
Fleming Natural Res ... 112½ — 15.6 May — 46.1 25.3 4366
Warrants ... 24 -25.0 — — — 4.22 — 4366
Fleming O'seas ... 333½ -3.1 4.6 Mar Jun 448.8 24.2 2766
Fleming Smlr Cos ... 158½ -2.3 4.5 Apr Nov 42.5 3.3 2766
Fleming S Cap ... 187½ -2.3 2.6 Apr Oct 48.3 1.4 1776
For & Col Emrg Mkts ... 183½ -2.8 — — — 194.0 11.93 2766
Warrants ... 5½ -7.9 — — — 5.91 — 3457
6pc Cv Cu Ln 2010 ... £17 -0.5% Mar Sep — 1.08 24.2 2766
For & Col Eur ... 248½ -1.9 0.1 Dec — 134.8 3.96 2766
For & Col Euro ... 58 -3.9 01.6 Dec — 301.3 25.11 2766
For & Col German ... 144½ -1.5 68.7% Jan — 39.8 26.5 4726
Warrants ... 4½ — — — — 0.84 — 4726
For & Col Inc Growth ... 92½ -3.5 3.55% Mar Sep 98.8 17.2 4212
Warrants ... 3½ -10.0 — — — 1.02 — 4212
For & Col PEG ... 133½ -1.0 1.85 May Nov 34.6 7.10 2766
For & Col Pref ... 148 -3 4.15 Feb Jul 97.3 2.12 2766
For & Col Pro Eq ... 51½ -1.5 0.5 Jul 29.4 17.6 4106
For & Col Smlr Cos ... 184½ -1.4 2.41 Jan Aug 192.6 23.12 4721
For & Col US Smlr ... 47½ — — — — 14.2 — 4721
Warrants ... 48 -1.5 — — — 1.06 — 4721
Foreign&Colon 1000 Sm Co ... 157½ -1.8 2.25 Oct 70.7 16.8 2566
Warrants ... 19 — — — — 1.58 — 2566
French Prop ... 79½ -1.9 1.95 Apr Sep 19.9 3.3 2566
Warrants ... 1½ — — — — 0.05 — 2566
Gartmore Eur ... 75½ -1.9 — — — 12.0 29.10 — 4106
Gartmore Japan ... 111½ 0.7 — Sep — 28.4 8.93 2566
Warrants ... 5½ -1.7 — — — 1.17 — 2566
Gartmore Jpn Lrg ... 38½ -1.6 — — — 6.22 7.96 2566
Warrants ... 1½ -4.8 — — — 0.49 — 2566
Gartmore Pacific ... 24 -1.0 — — — 67.2 12.95 2566
Warrants ... 1 -6.9 — — — 0.08 — 2566
Gartmore Smlr Co's ... 103½ -5 0.25 Oct — 71.9 9.9 3166
Warrants ... 4½ -7.5 — — — 0.25 — 3166
Gartmore Tech ... 75½ -2.9 — — — 108.2 30.12 2437
Gartmore Tst ... 231½ -1.4 35.5 Apr Oct — 1.95 — 3166
American Opp ... 30½ — — — — 0.5 — 2437
American Tst ... 362½ -1 0.6 Apr Oct — 301.5 17.3 1066
Warrants ... 3½ — — — — 0.12 — 1066
Amscotts Gold ... 154½ -1.5 2.94 Apr Oct — 21.1 — 1066
Warrants ... 3½ — — — — 0.12 — 1066
Angus & Dundee ... 84½ -1.5 09.5 Apr Sep — 98.4 19.8 2566
Asset Management Inv ... 691½ — 0.74 Jul — 7.81 15.12 4810
Warrants ... 6½ — — — — 0.17 — 4810
Aspinall Cpon ... 53½ -1.5 0.25 Oct — 12.8 13.8 2566
Warrants ... 2½ -10.0 — — — 0.16 — 2566
Atlantic Lrg Cos ... 91½ -1.5 — — — 0.11 — 2566
Warrants ... 1½ -10.0 — — — 0.02 — 2566
Atlantic Tst ... 164½ -1.5 — — — 14.1 16.4 2421
Warrants ... 1½ — — — — 0.01 — 2421
BFI Capital ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Bankers Inv Tst ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Beaconsfield US Gwth ... 54½ -1.5 — — — 0.16 — 2566
St Andrews ... 37½ 0.7 0.5 Mar Oct 120.4 17.3 3014
Warrants ... 1½ — — — — 0.02 — 3014
Berkeley Tst ... 102½ — 0.5 Mar Oct 120.4 17.3 3014
Warrants ... 1½ — — — — 0.02 — 3014
Bishopsgate Cmn ... 111½ -2.7 0.2 Feb 139.5 13.1 1066
Warrants ... 1½ — — — — 0.12 — 1066
Blackrock ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Brazil Fund ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Brit Assets ... 111½ -1.5 — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Brunner Inv Tst ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Burnham Inc ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Cambridge Cmn ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Capital & Cnties ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Capital Gearing ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Castle Hse Inv ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Catlin Inv Tst ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Cedar Inv ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Chelsea Cmn ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Chelsea Inv ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Chrysalis ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
City Of Lon ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Clerkenwell ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Cmn Prop ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Cmn Stock ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Cmn Trust ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Continental ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Crosby ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Cyprus Inv ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dawnay Day ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Derby Trust ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dexmoor ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dickson Min ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dominion Dev ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Drayton Cons ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Drayton Eng ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dundee Cmn ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dundee Hcrn ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dundee Inv ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dundee Lrg Cos ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dundee Smlr Co's ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Dundee W'wide ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Eagle Inv ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Edinburgh Dragon ... 102½ — — — — 0.16 — 2566
Warrants 2005 ... 102½ — — — — 0.16 — 2566
Edinburgh Inca ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Edinburgh Inv ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Edinburgh Japan ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Edinburgh Java ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Edin New Tiger ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Edinburgh Smlr Co's ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Electra ... 102½ — — — — 0.16 — 2566
Elect & Gen ... 102½ — — — — 0.16 — 2566
Emerg Mkts Country ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
English National ... 102½ — — — — 0.16 — 2566
English & Scottish ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
European Smlr Co's ... 102½ — — — — 0.16 — 2566
Warrants ... 1½ — — — — 0.01 — 2566
Exeter Prfd Cap ... 102½ — — — — 0.16 — 2566
Zero Deb 2002 ... 102½ — — — — 0.16 — 2566

THISTLE HOTELS

VOTED "U.K. BUSINESS HOTEL GROUP OF THE YEAR 1997"

by the readers of Business Travel World Magazine

For more information call 0800 18 17 16.

هكذا من الأصل

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

OTHER INVESTMENT TRUSTS

The following investment trusts are not eligible for inclusion in the FTSE Actuaries Share Indices.

Approved by the Inland Revenue

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service

INVESTMENT COMPANIES

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service

LEISURE & HOTELS

LIFE ASSURANCE

MEDIA

MEDIA - Cont.

OIL EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

PAPER , PACKAGING & PRINTING

PAPER , PACKAGING & PRINTING - Cont.

PHARMACEUTICALS

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

RETAILERS, GENERAL - Cont.

SUPPORT SERVICES

SUPPORT SERVICES - Cont.

TELECOMMUNICATIONS

TEXTILES & APPAREL

TEXTILES & APPAREL - Cont.

TOBACCO

	Notes	Price	Wk% ch'nge	Div net	Div cov.	Dividends paid	Last xd	City line
BAT Inds	♣qN	484xd	-6.8	Q22.5	1.6	Jan Jul	17.3	1717
12¼pc Ln '03/08		£126½	-1.6	Q12¼%	28.4	Dec Jan	28.10	-
Imperial Tobacco	W	419½	-4.2	20.8	2.5	-	-	1268

TRANSPORT

WATER

AIM

AIM - Cont.

The Alternative Investment Market, designed primarily for small companies, is regulated by the London Stock Exchange but has less demanding rules than the Official List.

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	Wk% ch'nge	Div net	Div cov	Dividends paid	Last xd	City line
Anglo Am Ind		£24½	0.4	Q545c	ϕ	May Oct	2.9	-
Barlow	♣	597xd	-6	Q165c	3.3	Jan Jul	9.12	5414
Gold Flds Prop R	†	140¼	-2	Q65c	1.5	Feb Sep	2'95	-
SA Brews		£19¼	0.2	Q200c	ϕ	Jul Feb	2.12	4113
Standard Bank		£26⅞	-3	Q284c	3.1	Sep Mar	-	-
Tiger Oats		1060	----	Q132c	2.8	Jan Jul	10.6	-
Tongaat-Hulett		767¼	-2	Q136c	ϕ	Jan Jun	20.5	-

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service are delivered by Extel, part of Financial Times Information.

Company classifications are based on those used for the FTSE Actuaries Share Indices.

Closing mid-prices are shown. Prices and net dividends are in pence unless otherwise indicated.

Where stocks are denominated in currencies other than sterling, this is indicated after the name. Prices shown for some of these foreign securities are converted into sterling from latest available local Stock Exchange prices.

Dividend covers are calculated on a "net" basis.

Market Capitalisations are published on Tuesdays-Saturdays except for Investment Trusts and British Funds.

- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ϕ Figures or report awaited
- ♥ Rule 2.1(a)(iv) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- †† Rule 4.2(a) Irish incorporated non-listed companies.
- # Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend; cover based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Annualised dividend.
b Figures based on prospectus or other official estimates.
c Cents.
g Assumed dividend.
h Assumed dividend after scrip issue.
m Interim higher than previous total.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend excludes a special payment.
t Indicated dividend: cover relates to previous dividend.
u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings.
z Dividend includes a special payment: Cover does not apply to special payment.
F Dividend based on prospectus or other official estimates for 1996-97.
G Assumed dividend after pending scrip and/or rights issue.
H Dividend based on prospectus or other official estimates for 1997.
K Dividend based on prospectus or other official estimates for 1996
L Estimated annualised dividend, cover based on latest annual earnings.
M Dividend based on prospectus or other official estimates for 1995-96.
N Dividend is paid in whole or part as a FID (Foreign Income Dividend).
Q Gross.
R Forecast annualised dividend, cover based on prospectus or other official estimates.
W Pro forma figures.
Z Dividend total to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xl ex capital distribution

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1425 a year for each security shown, subject to the Editor's discretion.

FT Share Service

The following changes have been made to the FT Share Information Service: **Additions:** Technoplast Ind (Eng), Centrica (Gas), TR Euro Gwth Wrts (InTv) and Nord Anglia Education (SpSv). **Deletions:** Equatorial Mining, NSM (Extn), Pengkalen (UK), Pokphand (CP) (FdPr), Henderson Inv C (InTv) and Chest Water (Water).

♣ FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣ . Please quote the code FT9860. Ring 0181 770 0770 (open 24 hours including weekends) or Fax 0181 770 3822. Reports will be sent the next working day, subject to availability.

🕴 FT Company Focus / Focus Plus

Comprehensive 10-18 page report available on this company, containing key news stories from the last year, latest survey of City profit forecasts and investment recommendations, 5 year financial and share price performance review, balance sheet and profit and loss data, plus recent Stock Exchange announcements.

Company Focus (FT news) £8.45.

Focus Plus (FT and Investors Chronicle news) £10.95.

To order, call 0121 200 4678.

Reports published by ShareFinder Ltd.

FT Cityline

For up-to-the-second share prices call FT Cityline on 0336 43 or 0891 43 followed by the four-digit code listed after the share price. Calls are charged at 50p per minute at all times.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 0171 873 4378 for more information on FT Cityline.

For readers phoning from outside UK, please dial +44 in place of the first 0.

The share prices printed on these pages are also available on the Internet at http://www.FT.com.

FT MANAGED FUNDS SERVICE

Offshore Funds

● FT Cityline Unit Trust Prices: dial 0891 430010 and key in a 5 digit code listed below. Calls are charged at 50p per minute at all times. International access available by subscription only. For more details call the FT Cityline Help Desk on (+44 171) 873 4378.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

BERMUDA (REGULATED)(**)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

هكذا من الأصل

هكذا من الأصل

Offshore Funds and Insurances

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices: dial 0891 430010 and key in a 5 digit code listed below. Calls are charged at 50p per minute at all times. International access available by subscription only. For more details call the FT Cityline Help Desk on (+44 171) 873 4378.

LUXEMBOURG (SIB RECOGNISED)

ABN AMRO Funds (u)
4 Rue Jean Monnet, L-2180 Luxembourg 352 424949330

	Init Chrge	Notes	Selling Price	Buying Price	Yield Gr's	City-Line
Latin America Equity			$58.83	60.82	-	54473
North America Equity			$58.64	67.27	-	54474
Asian Tigers Equity			$63.06	64.60	-	55113
Europe Equity			$79.66	80.08	-	55109
Germany Equity			DM84.47	105.28	-	54475
Japan Equity			¥42.95	43.78	-	55114
Europe Bond			$62.03	62.19	-	54476
US Bond			$59.14	59.89	-	55111
Global Bond			$61.37	61.52	-	55110
Germany Bond B			DM80.89	111.08	-	54477
Spain Bond			Pta6622	10348	-	55112
Eastern Europe Equity F			DM2858	238.25	-	58181
China Equity F			$66.88	67.42	-	58182
Switzerland Equity			SFr42.52	143.29	-	58183

Abtrust Fund Mngrs Luxembourg SA (u)
4 Boulevard Royal L 2449 Luxembourg 00 352 227081

Abtrust Atlas Fund

	Selling Price	Buying Price	Yield Gr's	City-Line
Global Cap Portfolio	$3.914		-	45309
United States Portfolio	$5.9406		-	45310
Cont Europe Portfolio	DM7.547		-	45312
Japan Portfolio	¥0.981		-	45313
Pacific Portfolio	$6.492		-	45314
Gold Portfolio	$5.306		-	45315
UK Growth of Income	£2.2511		3.81	45316
Dollar Portfolio	$1.8913		7.03	45320
Sterling Portfolio	£1.0823		6.30	45325

Aetna Master Fund (u) (z)
21 avenue de la Liberté, L-1931, Lux 00 352 2854 841

	Selling Price	Buying Price	Yield Gr's	City-Line
Australian NAV	A$17.03		-	53632
Austrian Nat NAV	Sch88.88		-	53623
Belgo/Lux NAV	BFr282.32		-	53633
Dutch Nat NAV	Dfl48.51		-	53635
French Nat NAV	FFr145.98		-	53624
German Nat NAV	DM20.87		-	53625
Hongkong Nat NAV	HK$127.09		-	53628
Italian Nat NAV	L13409		-	53627
Japanese Nat NAV	Y1148		-	53630
Spanish Nat NAV	Pta1480		-	53629
UK Nat NAV	£11.19		-	53631
United States Dlr Res	$11.14		-	40229

Prices quoted are "A" shares

Fidelity Funds - Contd.

Bond Funds

	Selling Price	Buying Price	Yield Gr's	City-Line
European	Ecu11.38		5.88	42365
International	$1.011		6.44	42371
US Dollar	$8.542		5.97	44561
Sterling	£0.2920		6.81	44883
Balanced				
European Balanced	DM14.38		1.82	55134

Prices as at March 20

Fleming Group (u)
6 Route De Treves L-2633 Senningerberg Luxembourg
00 352 34101 or 0800 969 294
Internet: http://www.flemings.lu/

Fleming Flagship Fund (daily dealing)

	Notes	Selling Price	Buying Price	Yield Gr's	City-Line
FFF American		$57.87	61.23	-	46018
FFF Asian Floating F		$81.62	85.18	-	44085
FFF Asian Smaller Cos F		$10.24	10.84	-	54479
FFF China		$15.43	16.32	-	54480
FFF Continental Europe F		DM42.71	48.18	-	46019
FFF DM Balanced F	5	DM11.34	12.20	-	46457
FFF DM Bond	3	DM11.89	11.48	6.50	58780
FFF Eastern European F		$28.74	30.05	-	54481
FFF Eastern Opps		$21.83	23.09	-	47941
FFF Emerging Markets F		$10.33	10.93	-	53538
FFF European		DM42.22	44.87	-	46020
FFF European Smlr Cos F		DM25.60	27.46	-	53640
FFF Global Conv F		$17.82	18.85	-	46021
FFF India H		$9.74	10.30	-	46016
FFF Intl Bond F		$13.38	14.15	-	46022
FFF Intl Equity F		DM79.80	83.38	-	46024
FFF Japanese		$73.98	14.79	-	46029
FFF Japanese Smaller Cos F		$6.43	6.74	-	54482
FFF Latin American		$13.35	14.12	-	46030
FFF Pacific		$20.60	21.79	-	46025
FFF Sterling Bond		£1.083	1.125	7.50	46231
FFF UK Enterprise		£5.62	5.84	-	46232
FFF US Discovery		$43.00	45.27	-	46027

Fleming Flagship Series II (Daily Dealing)

	Selling Price	Buying Price	Yield Gr's	City-Line
DM Class F	DM12.429		2.58	48234
FFr Class F	FFr64.195		2.79	48238
ITL Class F	L22105		6.65	48080
£ Class F	£5.222		5.89	58153
US$ Class F	$12.623		5.14	48235

Oasis Fund Sicav
International Equity F 5 CE DM5.88 10.9325 - 45785

Foreign & Colonial Emerging Markets Ltd (u)
Exchange Ho, Primrose St, Ldn, EC2A 2NY 0171-628 1234
F&C Emerging Markets

Mercury Asset Management - Contd.

Mercury Offshore Stlg Tst-SICAV (u)

	Selling Price	Buying Price	Yield Gr's	City-Line
Global	£1.855	1.981	0.02	45945
Dividend	£1.873	2.080	0.00	45946
European	£2.587	2.735	0.00	45947
Japan	£0.775	0.823	0.00	45948
North American	£2.748	2.897	0.00	45949
Pacific	£2.238	2.382	0.03	45950
United Kingdom	£2.048	2.168	1.72	45951
Reserve	£0.886	0.886	6.13	45952

Mercury World Bond Fund – SICAV (u)
Mercury World Bond $34.78 36.53 0.09 45886

Midland Intl Circuit Fund SICAV(u)
Midland Bank Fund Managers (Jersey) Ltd
PO Box 26, St Helier, Jersey 01534 600000

	Selling Price	Buying Price	Yield Gr's	City-Line
UK Growth	£1.531	1.612	0.98	46910
European Growth	£1.874	1.974	-	41031
European Opps	$4.510	4.754	0.08	46636
Japan Growth	$0.668	0.704	-	41032
Japanese Opps	$1.684	1.774	-	45737
Pacific Growth	£1.981	2.087	-	41035
Nth American Growth	£1.93	2.032	-	41034
American Opps	$4.143	4.362	-	45334
UK Fixed Interest	£1.249	1.315	5.55	41037
Multicurrency Bond	£1.171	1.233	5.27	41033
UK Stg Liquidity	£0.827	0.877	6.35	41040
US$ Liquidity	$1.538	1.621	4.32	41036

For Midas see Luxembourg (Regulated)

Nikko Global Umbrella Fund
16 Bld Royal, L-2449 Luxembourg 00 44 171 222 2326

	Selling Price	Buying Price	Yield Gr's	City-Line
Japan Rat Rev YEN	¥833	839	-	55143
Japan Rat Rev USD	$6.76	6.82	-	46215
Japan Rat Rev Stg	£4.25	4.28	-	46216
JASDAQ A	¥739	745	-	46211
JASDAQ B	$7.69	7.76	-	46214
Asia Conv Bond	$10.73		-	54615
Asia-Pacific	$17.46	17.60	-	46372
Hong Kong	$20.35	20.77	-	46373
Indonesia	$11.75	11.99	-	46377
Malaysia	$17.02	17.36	-	46375
Oceania	$15.81	16.13	-	46379
Philippines	$18.16	18.54	-	46378
Singapore	$15.37	15.69	-	46374
Thailand	$8.59	8.77	-	46376

Nomura Global Fund (u)
1 St Martin's-le-Grand, EC1A 4NP 0171 236 8811

ACM Global Investment - Contd.

Income & Growth Funds

	Selling Price	Buying Price	Yield Gr's	City-Line
Paragon Global Bal Cl A Mar 20	$11.15	11.80	2.08	55846
Paragon Global Bal Cl B Mar 20	$11.14		2.06	55847
Paragon Global Bal Cl C Mar 20	$11.81		-	55848
Principle Global Bal F			-	-

Aetna International Umbrella Fund (u)

Regional Equity Funds

	Selling Price	Buying Price	Yield Gr's	City-Line
American Equity	$13.46		-	48229
Asian Equity	$28.85		-	48230
Australian Equity	A$7.87		2.01	48231
European Equity	$14.06		-	48232
Japanese Equity	Y350		-	48233
UK Equity	£11.08		2.30	48234
Specialist Funds				
American Smaller Cos	$7.10		1.38	48144
Emerging Asia	$8.14		-	48148
Emerging Europe	$11.85		7.10	48156
Latin American	$5.18		3.35	49287
UK Smaller Cos	£11.71		2.03	48153
Bond Funds				
Australian $ Bond	A$5.07		6.4952	48238
Canadian $ Bond	C$5.04		5.8104	48240
Deutschemark Bond	DM5.01		4.2729	48241
Mngd European Bd	$5.36		4.7878	48242
Sterling Bond	£5.40		8.0478	48243
US Dollar Bond	$5.24		4.9352	48244
Yen Bond	Y509		2.0326	48245
Reserve Funds				
Deutschemark Res	DM1.00		2.05088	48246
Sterling Reserve	£1.00		4.40224	46247
US Dollar Res	$1.00		4.38700	48248
Yen Reserve	Y100.00		-	48249

Prices quoted are 'A' shares

Alliance Capital

Growth Funds

	Selling Price	Buying Price	Yield Gr's	City-Line
Intl Healthcare A Mar 20	$87.92	93.78	-	58477
Intl Healthcare B Mar 20	$84.23		-	58473
Intl Healthcare AX * Mar 20	$88.60	94.51	-	44888
Intl Healthcare BX * Mar 20	$84.87		-	48292
Intl Technology A Mar 20	$60.80	64.85	-	58395
Intl Technology B Mar 20	$59.95		-	58395
Intl Technology / Mar 20	$61.53	65.63	-	44870
Asian Technology A	$9.31	9.93	-	48456
Asian Technology B	$9.28		-	48494
Asian Technology H	$9.29	9.48	-	48485
Asian Technology I	$9.36	9.60	-	48488

Credit Commercial de France

	Selling Price	Buying Price	Yield Gross	City-Line
Euro Smlr Cos Class A	Ecu22.30		-	44860
Euro Smlr Cos Class B	Ecu22.30		-	44857

Daiwa Japan Gem Fund
Daiwa Japan Gem $8.32 8.44 - 44837

Daiwa Japan Small Equity Fd (u)
Daiwa Japan Small Eq $9.85 - 43757

Dicam Worldwide Investment Fund
NAV £29.70 - 44874

The Dragon Fund Sicav
NAV Mar 18 $87.75 - 44485

Egypt Trust
Shares NAV $18.97 - -

Emerging Markets Brewery Fund SICAV
NAV $8.83 - 47369

The European Asset Value Fund
NAV Mar 20 $14.08 - 58184

FMG Mir SICAV
USA Balanced $55.54 - 48300

Fidelity Intl Inv Mngt (Luxembourg) SA
New Europe Fd $24.89 26.12 0.21 47380

Fidelity Investment (CI) Ltd

	Selling Price	Buying Price	Yield Gross	City-Line
Far East	$56.54	59.37	0.11	44972
Frontier	$48.93	51.38	0.20	44973
Global Selection	$20.53	21.56	-	48318
Orient	$89.17	93.63	-	44976
Special Growth	$34.71	36.45	0.13	44978
World	$145.93	153.23	0.17	44980

The First Korea Smaller Companies Fund
NAV Feb 28 $11.17 - 48325

Fischer Francis Trees & Watts
FFTW Funds Selection

	Selling Price	Buying Price	Yield Gross	City-Line
BEF Hedged Global Bond B	BFr10724		-	47311
CHF Hedged Global Bond B	SFr1082.85		-	47312
DEM Hedged Global Bond B	DM1065.60		-	47313
NLG Hedged Global Bond A	Dfl1060.85		-	47314
USD Global Bond A	$1019.80		-	47315

Fleming Group

Merrill Lynch Asset Management - Contd.

	Selling Price	Buying Price	Yield Gross	City-Line
Euro Equity Portfolio				
Class A	$20.08		-	43570
Class B	$18.85		-	43572
Class A	£12.80		-	48055
Class B	£11.83		-	48057
Latin America Portfolio				
Class A	$16.53		-	47324
Class B	$15.00		-	47325
Class A	£9.81		-	48056
Class B	£9.41		-	48058
World Natural Resources Portfolio				
Class A	$14.08		-	48359
Class B	$13.16		-	48360
Dragon Portfolio				
Class A	$18.11		-	48361
Class B	$17.48		-	48362
Class A	£11.36		-	48016
Class B	£10.97		-	48047
Global Allocation Portfolio				
Class A	$14.28		-	48383
Class B	$13.81		-	48384
Pacific Equity Portfolio				
Class A	$10.53		-	54509
Class B	$10.39		-	54510
Class A	£6.81		-	48076
Class B	£6.52		-	48068
Global SmallCap Portfolio				
Class A	$10.73		-	55214
Class B	$10.61		-	55215
Technology Portfolio				
Class A	$13.73		-	55664
Class B	$73.58		-	55663
Class A	£8.61		-	48084
Class B	£8.53		-	48107
Capital Portfolio				
Class A	$12.16		-	58408
Class B	$12.08		-	58409
Visionary Portfolio				
Class A	$11.83		-	48013
Class B	$11.84		-	48014

Monterey Trust SICAV
NAV $19.50 - 58409

Morgan Stanley Sicav

Swiss Bank Corporation

	Selling Price	Buying Price	Yield Gross	City-Line
Equity - Australia	A$220.80		-	54272
Equity - Canada	C$317.04		-	54273
Equity - Europe	Ecu258.52		-	54275
Equity - Hong Kong	$449.20		-	-
Equity - Malaysia	$503.86		-	-
Equity - Netherlands	Dfl387.87		-	54274
Equity - Singapore	$463.78		-	-
Equity - Small & Mid Caps USA	$294.87		-	55666
Equity - Small & Mid Caps Japan	Y13260		-	55667
Equity - Small & Mid Caps Europe	Ecu203.77		-	55668
BP - AUD B	A$153.75		-	54277
BP - CAD B	C$168.56		-	54279
BP - DEM B	DM223.10		-	54281
BP - XEU B	Ecu168.28		-	54283
BP - FRF B	FFr884.27		-	54285
BP - NLG B	Dfl225.57		-	54287
BP - ITL B	L138589		-	55227
BP - ESP B	Pta13187		-	54289
BP - GBP B	£75.41		-	54291
BP - CHF B	SFr1656.72		-	54293
BP - USD B	$131.34		-	54295
BP - JPY B	Y13053.8		-	54297
Government Bond Portfolio B	$1168.47		-	54299
Dynamic Floor Fd CHF 95	SFr1211.36		-	55228
Dynamic Floor Fd USD 95	$1234.49		-	55229
MMF - AUD	A$1031.79		-	54300
MMF - BEF	BFr25007		-	54301
MMF - CAD	C$1068.43		-	54302
MMF - DEM	DM1476.84		-	54304
MMF - NLG	Dfl1826.09		-	54306
MMF - XEU	Ecu864.89		-	54305
MMF - PTE	Esc114107		-	54308
MMF - FRF	FFr5778.54		-	54307
MMF - ITL	L685789		-	54309
MMF - ESP	Pta90242		-	54310
MMF - ATS	Sch7093.06		-	54311
MMF - GBP	£802.48		-	54312
MMF - CHF	SFr1263.54		-	54313
MMF - USD I	$832.29		-	54314
MMF - USD II	$482.01		-	54315
MMF - Yen	Y122285		-	54316
Global Deutschmark Income B	DM1242.15		-	54318
Global Deutschmark Yield B	DM1300.54		-	54320
Global Deutschmark Growth	DM1398.40		-	54321
Global DM Balanced B	DM1300.79		-	55231
Global Ecu Income B	Ecu1303.90		-	54323
Global Ecu Yield B	Ecu1675.41		-	54325
Global Ecu Growth	Ecu1693.69		-	54326

CMI Ins Co Ltd/Clerical Med Gen Life - Contd.

	Selling Price	Buying Price	Yield Gross	City-Line
SR Emerging Asia Equity	$0.783	0.843	0	58317
SR UK Bond	£0.595	0.64	0	58306
SR US Bond	$0.868	0.933	0	58308
SR Japanese Bond	Y83.2	89.5	0	58328
SR German Bond	DM1.168	1.276	0	58320
SR Swiss Bond	SFr1.157	1.245	0	58333
SR UK Currency Reserve	£0.562	0.604	0	58330
SR US Currency Reserve	$0.825	0.887	0	58309
SR German Currency Reserve	DM1.045	1.123	0	58321
SR STG Guaranteed	£0.584	0.629	0	58305
SR USD Guaranteed	$0.859	0.925	0	58313
SR DEM Guaranteed Growth	DM1.142	1.228	0	58325

Eagle Star Intl Life
Eagle Star Hse, Athol St, Douglas, IoM 01624 692200

	Selling Price	Buying Price	Yield Gross	City-Line
Sterling Secure Money	£1.9	2.046	-	53741
US Dollar Secure Money	$1.449	1.559	-	53742
Deutschmark Secure Money	DM1.290	1.387	-	46726
Japanese Secure Money	Y126.86	136.35	-	46717
Eagle Secure Money *	£8.867	9.534	-	53743
United Kingdom Equity	£1.544	1.661	-	46857
North American Equity	$1.608	1.73	-	46685
European Equity	SFr2.085	2.243	-	46686
Japanese Equity	Y126.86	136.52	-	46689
Pacific Basin Equity	$1.343	1.445	-	46690
Sterling Bond	£1.304	1.403	-	46707
US Dollar Bond	$1.304	1.403	-	46708
Deutschemark Bond	DM1.398	1.504	-	46710
Japanese Yen Bond	Y130.58	140.41	-	46709
European Bond	SFr1.624	1.747	-	46712
Balanced	$1.287	1.384	-	46713
Stg Blue Chip	£2.038	2.19	-	44896
Stg Performance	£1.953	2.101	-	44897
Stg Adventurous	£1.69	1.818	-	44898
US Dollar Blue Chip	$1.83	1.968	-	44899
US Dlr Performance	$1.701	1.83	-	44900
US Dlr Adventurous	$1.293	1.391	-	44901
Eagle Blue Chip*	£10.500	11.290	-	46473
Eagle Performance*	£9.949	10.698	-	46474
Eagle Adventurous*	£8.902	9.573	-	46475
European Smaller Cos	SFr1.653	1.778	-	-
US Smaller Cos	$1.209	1.3	-	-
Latin American Equity	$1.452	1.562	-	-
Japanese Smaller Cos	Y108.86	117.62	-	-
International Bond	$1.212	1.304	-	-

* Prices quoted are Sterling equivalent.

Equitable Life (International)

Gartmore Luxembourg SA (u)
38 Allee Scheffer, L-2520 Luxembourg 00 352 47 67 2470
Japan Warrant 5¼ $0.16 0.17 - -

HSBC Investment Funds Luxembourg SA (u)
7 rue du Marche - aux - Herbes L-1728 Luxembourg
Dealing: 00 352 476812220 Fax: 475568

HSBC Global Investment Funds
International and Regional Funds

	Selling Price	Buying Price	Yield Gr's	City-Line
Asian Equity	$30.47	32.16	-	45603
International Emerging Mkts	$10.91	11.52	-	55136
International Managed Equity	$16.58	17.50	-	42715
North American Equity	$18.13	19.14	0.00	45604
Pan-European Equity	$15.80	16.68	-	51427
Market Specific				
Chinese Equity	$25.87	27.31	-	48286
Hong Kong Equity	$52.82	56.54	-	45600
Indian Equity F	$9.64	10.18	-	45740
Japanese Equity	$10.08	10.82	-	45601
Malaysian Equity	$40.73	42.99	-	45602
Singaporean Equity	$27.54	29.07	-	42716
Bond and Reserve Funds				
International Managed Bond	$12.24	12.92	-	47192
Sterling Bond	£4.99	5.27	-	45695
US Dollar Bond	$10.11	10.68	2.09	45690
US Dollar Reserve	$8.49	8.95	-	45692

Henderson Management SA (u)
60 rte de Treves, L-2633 Senningerberg, Lux
0171-638 5757 or 00-352 348822

Henderson Horizon Fund

	Selling Price	Buying Price	Yield Gr's	City-Line
UK Smaller Cos	£13.28	13.98	-	48237
UK Smaller Cos	$9.33	8.77	-	45237
European	$21.88	11.67	-	48236
European Smaller Cos	DM17.80	18.53	-	48240
European Smaller Cos	$9.27	9.78	-	58104
American Smaller Cos	$10.74	11.31	-	45235
Japanese	$8.18	8.88	-	48241
Japanese Smaller Cos	$24.81	25.30	-	48242
Global Emerging Mkts	$15.37	16.18	-	47406
Pacific	$30.69	32.31	-	48253
Sterling Bond	£17.10	18.00	6.03	48243
Sterling Bond	£10.73	11.29	-	47487
Global Bond	$2.16	2.28	4.89	47317
Global Technology	$11.08	11.67	-	-
Global Smaller Cos	$10.20	10.74	-	-
Central & Eastern European	$9.88	10.40	-	-

IKOS
7 New Concordia Wharf, Mill St, London SE1 0171 237 3050
Hedge ($) £84.73 - 58161

INVESCO International Limited (u)
PO Box 271, St Helier, Jersey 01534 814000

Sarasin Investment SICAV (u)
14 Rue Aldringen, L-2951, Luxembourg 00 352 4799 2588

	Notes	Selling Price	Buying Price	Yield Gr's	City-Line
GlobalStar SFR Dist	C	SFr283.18		-	40271
GlobalStar SFR Acc	C	SFr277.87		-	58178
GlobalStar DM Dist	C	DM220.52		-	51418
GlobalStar DM Acc	C	DM238.97		-	58179
EuroStar Acc	C	£43.25		-	58176
TechStar Dist	C	$80.16		-	58177
BondStar Dist	C	£87.24		-	53658
BondStar Acc	C	£108.51		-	51414
Emerginvest Dist H	5	$83.06		-	45687

Schroder International Selection Fd (u)
5 Rue Hohenhof, Senningerberg, Lux 00 352 341342212

Scottish Equitable Intl Fund SICAV (u)
14 rue Aldringen, L-1118, Luxembourg 00 352 4799 2582

	Selling Price	Buying Price	Yield Gr's	City-Line
SEIF International Mixed	Ecu13.40		-	48274
SEIF International Equity	Ecu17.45		-	48275
SEIF European Equity	Ecu17.38		-	48276
SEIF International Bond	Ecu13.71		-	48277

Sun Life Global Management Ltd (u)
PO Box 22, Castletown, IoM 01624 824131

Banque Edouard Constant Ltd
BEC Asset Management S.A.

	Selling Price	Buying Price	Yield Gross	City-Line
Europe (ECU) B	Ecu210.1605		-	51365
Global Equities USD B	$25.6789		-	51368
Global Bond USD B	$25.2364		-	51370
Far East B	$27.4641		-	51376
Japan B	Y944.9753		-	51378
Latin America B	$21.5626		-	51382

Banque Ferrier Lullin (Lux) SA

	Selling Price	Buying Price	Yield Gross	City-Line
FL Tst Switzerland	SFr208.51		-	46203
FL Trust Asia	$203.80		-	46207

Banque Indosuez Luxembourg

	Selling Price	Buying Price	Yield Gross	City-Line
France Avenir Mar 20	FFr18467.74		-	46288
Latin America New Growth	$15.03		-	53651

For Banque Pictet see Pictet Group

For Banque Scandinave see Banque Edouard

Barclays Liquidity Portfolio

	Selling Price	Buying Price	Yield Gross	City-Line
United States Dollar	$21.07031		-	-
Sterling	£10.57738		-	-

BIL– Keystone Asia Premier Fund
NAV $9.28 - 46600

BIL Taiwan Premier Fund
NAV $15.51 - 47718

Blakeney Management Ltd
Blakeney Investors Mar 21 $13.31 - 47241

CB Fund International (u)
CB Fd Inc $13.86 - 45441

CSFB Umbrella

	Selling Price	Buying Price	Yield Gross	City-Line
Pacific Inv Port I Mar 19	$877.27		-	59177
Pacific Inv Port II Mar 19	$1571.41		-	59178
Pacific Inv Port III Mar 19	$1293.43		-	54505

Capel-Cure Myers Intnl Fd Sicav (u)

	Selling Price	Buying Price	Yield Gross	City-Line
Sterling Bond	£11.34	11.71	5.24	45144
Sterling Growth	£17.16	18.10	-	45146
US Dollar Bond	$10.75	11.10	5.17	45147
US Dollar Growth	$14.58	15.81	-	45149

Carlson Investment Management

	Selling Price	Buying Price	Yield Gross	City-Line
Equity Asian Small Cap	$1.2578		-	58468
Carlson Equity Japan	Y108.79		-	52561
Carlson Equity-Japan Regnl	Y67.09		-	55183
Carlson Equity-Far East	$2.4408		-	52559

Citicorp Investment Mgmt (Luxembourg) SA

	Selling Price	Buying Price	Yield Gross	City-Line
Money Manager I	$11.00		-	58581
Money Manager II	$11.09		-	58582

HSBC NAPT Luxembourg SA
Nikko Asia Pacific Tst NAV $14.95 - 49410

HTR India Fund – SICAV
HTR India Mar 17 $5.35 5.83 - 54607

HYPO Capital Mgmt Invest Luxembourg SA

Henderson Independent Fund

	Selling Price	Buying Price	Yield Gross	City-Line
Dollar Balanced EAFE Portfolio	$9.37	9.89	-	47892
Dollar Balanced Portfolio Mar 21	$10.6	11.19	-	58498

International Bond Trust
CCIC A NAV $10.38 - 45302

INVESCO International Limited
Asia Powerlist $20.4600 21.5400 - 47341

InverSud Investment Fund SICAV
NAV Mar 17 $1781.48 - 48739

Investissements Atlantiques SA
NAV Mar 18 $55.07 55.63 6.3 45308

Kleinwort European Bd Fd Management SA
European Bond Ecu12.83 - 55211

Korea Golden Gate Fund
NAV $453.839812 - 55083

Lloyds Bank Luxembourg (u)
Lloyds International Liquidity

	Selling Price	Buying Price	Yield Gross	City-Line
Pound Sterling £	£187.21		6.30	47356
Deutsche Mark DM	DM157.81		2.37	47357
US Dollar $	$145.98		4.75	47358
Japanese Yen Y	Y12780		0.30	47359
Swiss Franc SFr	SFr136.02		0.98	43758
Canadian Dollar	C$133.30		2.68	40068
French Franc	FFr142.96		2.60	41191
ECU	Ecu143.86		3.30	40698

Lloyds Brazil Asset Management SICAV

	Selling Price	Buying Price	Yield Gross	City-Line
Brazil Equity	$133.85	138.86	-	-
Brazil Intl Fixed Income	$102.87		-	-

Lombard Odier Invest (u)
Smaller European Companies Fund
A Shares NAV DM39.93 - 45445

NCAM Asia Pacific Umbrella Fund
Korea $6.29 - 53193

Nikko Bank (Luxembourg) S.A.

	Selling Price	Buying Price	Yield Gross	City-Line
US Index Fd-SICAV NAV	$14.79		-	45563
Euro Index Fd NAV	Ecu10.24		-	40339
New Malaysia A	$10.78		-	58615
New Malaysia B	$9.69		-	58616
Asia High Yield Bond	$10.11		-	-
Asia Bond And Currency Fnd	$10.00		-	-

Nikko Capital Management
Wise Currency Fd - Yen Portfolio Y100.8077 - 58227

Nomura Asian Infrastructure Fd SICAV
NAV $20.84 - 45197

Pacific Basin Growth Fund

	Selling Price	Buying Price	Yield Gross	City-Line
NAV A Shs	$9.78		-	45448
NAV B Shs	$9.06		-	45453

Pan-Holding SA

	Selling Price	Buying Price	Yield Gross	City-Line
Dividend Share NAV Mar 19	$400.05		-	55217
Dividend Share	$398.05	402.05	-	55218
Capital Share NAV Mar 19	$408.14		-	47420
Capital Share	$404.11	408.17	-	47422

Pictet Group

	Selling Price	Buying Price	Yield Gross	City-Line
Asia Growth	$114.65		-	47537
Pictet Country Fund				
UK Val	£96.17		-	58433
Pictet Targeted Fund				
Emerging Markets	$216.93		-	54190
European Opportunity	Ecu190.17		-	54191
Eastern Europe	DM211.54		-	47655
Pictet Institutional Funds				
Continental European Equities	$102.04		-	-
UK Equities	£108.40		-	47865

REIG Global Funds

	Selling Price	Buying Price	Yield Gross	City-Line
ECUS	Ecu112.53		-	49858
PTAS	Pta118.01		-	49859

River & Mercantile Latin American SICAV
Latin American NAV $11.23 - 47370

Rosenberg Global Mngt Co SA (u)
Rosenberg Alpha Fund Global

	Selling Price	Buying Price	Yield Gross	City-Line
Portfolio A: NAV	$13.60		-	43151
Portfolio B: NAV	$14.05		-	43152

Rosenberg Management SA (u)
Rosenberg Alpha Fund Yield

	Selling Price	Buying Price	Yield Gross	City-Line
Portfolio A: NAV	$9.53		-	47468
Portfolio B: NAV	$10.18		-	47469

Rosenberg US Japan Mngmt Co SA (u)
Rosenberg Alpha Fund US Japan

	Selling Price	Buying Price	Yield Gross	City-Line
Portfolio A: NAV	$12.97		-	47658
Portfolio B: NAV	$12.67		-	47659

Rothschild (Group Edmond de)

	Selling Price	Buying Price	Yield Gross	City-Line
Asian Capital Holdings	$60.60		-	49380
Restructured Capital Holdings	$1212.09		-	47283
MANAGED FUNDS				
Israel 2000	$2418.37		-	54614
ADMINISTERED FUNDS				
Integral Protfos-UK Eqty	£105.86		-	48854
Integral Pfolios-European Eqty	£113.98		-	48848
Integral Pfolios-Nth America Eqty	£109.12		-	48853
Integral Pfolios-Japanese Eqty	£79.84		-	48851
Integral Pfolios-Far East Eqty	£102.94		-	48849
Integral Pfolios-Global Managed	£98.39		-	48850
LG Intl-Asian Growth	$113.065		-	48858
M-Fund Dollar Growth	$99.913		-	48388
M-Fund UK Performer	£145.458		-	52269
M-Fund Continental Europe	DM169.537		-	52270
M-Fund Iberia Value	Esc13417.38		-	52271
M-Fund Rendimento			-	-
M-Fund Pacific Rim	$104.47		-	52272
M-Fund Dollar Income	$118.802		-	40213

Union Bancaire Prives

VLS Finance Ltd India

Van Kampen American Capital

WP Stewart Global Growth Fund

"WINTERTHUR" Fund Mngmt

World Trust Fund

For World Value see Baring Intl (Other Offshore Funds)

OFFSHORE INSURANCES

For AXA see Old Mutual Intl (Isle of Man)

Abtrust International Ltd
Hannibal Hse, PO Box 237, St Peter Port, Gsy 01481 727086
Exchange rate at Valuation Day US$1.8160

	Selling Price	Buying Price	Yield Gross	City-Line
Dollar Deposit $	$3.029	3.190	-	44622
European Equity £	585.948	615.880	-	44624
Global Managed $	$0.766	0.807	-	44625
International Equity $	$20.817	21.914	-	44626
International Fixed Interest Sun $	$12.579	13.242	-	44629
International Managed $	$13.851	14.581	-	44630
N American Equity $	$4.376	4.607	-	44633
Pacific Enterprise $	$2.011	2.118	-	44634
Pacific Equity $	$5.892	6.203	-	44635
Star 2 £	277.30	292.00	-	44636
Star 3 £	221.00	232.700	-	44637
Star 4 £	244.400	257.400	-	44638
Sterling Deposit £	423.900	446.300	-	44639
UK Fixed Interest £	742.100	781.300	-	44640
UK Equity £	882.00	928.500	-	44641
UK Managed £	595.300	595.200	-	44642
World Growth $	$1.737	1.829	-	44644

Albany International Assurance Ltd
St Mary's, Castletown, Isle of Man 01624 823262

	Selling Price	Buying Price	Yield Gross	City-Line
Global Sterling	£1.680		-	44845
UK Sterling	£1.740		-	44846
European Sterling	£2.843		-	44847
Japan Sterling	£0.695		-	44848
North American Sterling	£2.498		-	44849
Pacific Basin Sterling	£1.773		-	44850
UK Blue Chip Sterling	£2.565		-	44851
Gold & General Sterling	£0.811		-	48432
Global Dollar	$1.563		-	44854
UK Dollars	$1.870		-	44855
European Dollars	$2.660		-	44856
Japan Dollars	$0.647		-	44857
North American Dollars	$3.837		-	44858
Pacific Basin Dollars	$1.555		-	44859
Gold & General Dollar	$0.884		-	46788
Enterprise America	$1.445		-	55672
Enterprise UK	$1.791		-	55671
Enterprise Europe	$1.810		-	55669
Enterprise Japan	$1.008		-	55670
Guaranteed Money Sterling	£2.293		-	44653
Guaranteed Money Dollars	$1.731		-	44681
Guaranteed Money Deutschmark	DM1.369		-	46886
Global Bond Sterling	£2.447		-	50192
Global Bond US Dollar	$1.919		-	50193
Global Bond Deutschemark	DM1.722		-	43634
Intl Portfolio Sterling	£7.397		-	49413
Sterling Emerging Markets	£1.508		-	49414
Broker Funds				
HL Offshore Portfolio	£1.463		-	57491
James Brearley Intl Mgd	£1.623		-	50194
Oddie Dalton Worldwide Port	£1.139		-	57448
Oddie Dalton Premier Select	£1.037		-	44175

Allied Dunbar International Assce Ltd (z)
Lord Street, Douglas, IoM 01624 661551

	Selling Price	Buying Price	Yield Gross	City-Line
Sterling Managed	131.0	139.4	-	49417
Dollar Managed	$1.571	1.672	-	49418
Swedish Krona Mgd	SKr1.5200	1.6180	-	49419
Managed Currency	$1.0130	1.0780	-	49420
Worldwide Equity	$1.3000	1.3840	-	49421
Nth American Growth	$1.6280	1.7330	-	49422
Far East	$1.4720	1.5680	-	49423
UK Capital Growth	140.60	149.60	-	49424
Europe	DM1.8770	1.9970	-	49425
Emerging Asia	$1.1420	1.2150	-	49426
Sterling Bond	113.90	121.20	-	49427
Dollar Bond	$1.0200	1.0860	-	49428
Worldwide Bond	$1.0410	1.1080	-	49429

CMI Insurance Co Ltd
Clerical Medical Hse, Douglas I.O.M. (00) 44 1624 638888

	Selling Price	Buying Price	Yield Gross	City-Line
Sterling Income	£0.988	7.05	0	44800
Sterling Security	£0.753	0.801	0	44801
Sterling Balanced	£0.945	1.005	0	44802
Sterling Opportunity	£1.027	1.092	0	44803
US Dollar Income	$0.841	0.881	0	44804
US Dollar Security	$0.685	0.728	0	44805
US Dollar Balanced	$0.888	0.944	0	44806
US Dollar Opportunity	$0.988	1.050	0	44807
UK Index Tracking	£0.941	1.011	0	43363
US Index Tracking	£1.558	1.654	0	43418
Japan Index Tracking	£0.382	0.41	0	43367
UK Equity	£0.883	0.949	0	50202
US Equity	$1.024	1.101	0	50210
Japanese Equity	$0.33	0.354	0	50200
German Equity	£0.703	0.755	0	50197
French Equity	£0.777	0.835	0	50198
Benelux Equity	£0.997	1.072	0	50185

Equitable Life - Contd.

	Selling Price	Buying Price	Yield Gross	City-Line
£ Managed	£0.1963	0.2121	-	45212
£ Equity	£0.1804	0.1949	-	45213
£ Fixed Interest	£0.2219	0.2398	-	45214
£ Deposit	£0.2013	0.2165	-	45215
International Managed	£0.2085	0.2253	-	46147
International Growth	£0.2117	0.2288	-	43143
UK £ Cautious	£0.1401	0.1514	-	50222
UK £ Growth	£0.1570	0.1697	-	50223
US $ Managed	$0.1801	0.1946	-	45216
US $ Stock Market	$0.2160	0.2334	-	45217
US $ Fixed Interest	$0.1553	0.1678	-	45218
US $ Deposit	$0.1405	0.1511	-	45219
US $ Pacific Acc	$0.1515	0.1637	-	45220
Hong Kong	$0.4346	0.4698	-	46146
International Bond	$0.1583	0.1711	-	43127
Latin America Acc	$0.1508	0.1630	-	44485
South East Asia	$0.1868	0.2019	-	44467
US $ Cautious	$0.1322	0.1429	-	49471
US $ Growth	$0.1591	0.1719	-	49472
SFr European	SFr0.2703	0.2921	-	45221
ECU Bond	Ecu0.1445	0.1562	-	44484
European Growth	FFr0.2034	0.2198	-	49474
Japan Fund	Y79.1	85.5	-	46150
DM Managed	DM0.1707	0.1845	-	43128
Swedish Fixed Interest	SKr0.1468	0.1586	-	49475
US Momentum	$0.1470	0.1589	-	54523
Japan International Managed	£0.1064	0.1150	-	58256
KMF	$0.0781	0.0844	-	55675
Interwest Strategic	$0.1063	0.1149	-	44154
Veritas Sterling Managed	£10.61	11.47	-	-
Veritas Performance GBP	£11.58	12.52	-	-
Veritas Performance USD	$11.74	12.69	-	-
Veritas Dollar Managed	$10.5	11.34	-	-

Irish Life International Ltd
Lower Abbey Street, Dublin 1 3531 7041500

	Selling Price	Buying Price	Yield Gross	City-Line
Managed Growth £	£1.333		-	58343
Managed Balanced £	£1.287		-	58344
Managed Cautious £	£1.178		-	58345
Managed Growth US$	$1.425		-	58346
Managed Balanced US$	$1.382		-	58347
Managed Cautious US$	$1.223		-	58348
US Equity	$2.098		-	58349
UK Equity	£0.869		-	58350
European Equity	£1.058		-	58351
Japanese Equity	£0.522		-	58352
Emerging Markets Equity	$1.072		-	58353
International Fixed Interest	$1.101		-	58354
Cash £	£1.071		-	58355
Cash US$	$1.100		-	58356
Building Society	£1.024		-	-

Isle of Man Assurance Ltd
IOMA House, Prospect Hill, Douglas, IoM 01624 681200

	Selling Price	Buying Price	Yield Gross	City-Line
Investment Trust	1.58789		-	58271
Global Emerging Markets	£5.75835		-	58270
Multicurrency Bond	£15.71084		-	58269
Protected Capital Plus A	£12.88871		-	58267
Protected Capital Plus B	£12.77470		-	58268
Short-Term Sterling Assets	£15.56032		-	58266
Holiday Property Bond *	£0.69	0.70	-	45307

*Bid-Jan 1997 Offer - Feb 1997

Lebrow International Group

	Selling Price	Buying Price	Yield Gross	City-Line
Fund of Funds	£1.98	2.14	-	44639
Pesetas High Yield	Pta145.7	157.5	-	49477
Fixed Interest	£1.93	2.08	-	49478
Managed Income	£0.453	0.487	0	49479

Midland Life International Ltd
20-22 Lower Hatch St, Dublin 2 00 3531 662 5600

	Selling Price	Buying Price	Yield Gross	City-Line
Adventurous	103.2	108.6	-	48593
Balanced	106.3	111.8	-	48597
Defensive	101.5	106.8	-	48607
Secure	97.7	102.8	-	48609
UK Equity	112.1	117.9	-	48610
International	97.6	102.7	-	48611
Money Market	98.8	104.0	-	48612
Fixed Interest	100.4	105.6	-	48613
Cash Holding	95.7	100.7	-	48217
Capital Protection 3 Year December 96	100.8		-	-
Capital Protection 5 Year December 96	101.9		-	-

Old Mutual Guernsey
PO Box 121, St Peter Port, Guernsey 01481 726726

	Selling Price	Buying Price	Yield Gross	City-Line
Sterling Managed	£1.069	1.171	-	58236
Dollar Managed	$1.097	1.179	-	58237
Sterling Special Market	£0.950	1.021	-	58234
Dollar Special Market	$0.981	1.055	-	58235
Sterling Intl Fixed Interest	£1.110	1.194	-	58238
Dollar Intl Fixed Interest	$1.119	1.203	-	58239
Stg Money Market	£0.980	1.054	-	46350
UK Fixed Interest	£0.989	1.064	-	46352
European Stockmarket	£1.338	1.438	-	46358
UK Stockmkt	£1.133	1.218	-	46357
Dollar Money Mkt	$0.974	1.047	-	46317
Intl Stockmkt	$1.025	1.102	-	46360
Emerging Market Bond	$1.135	1.220	-	46334
Nth Am Stkmkt	$1.418	1.525	-	46348
Japanese Stkmkt	$0.725	0.780	-	46363
Pacific Stkmkt	$0.829	0.891	-	46349
Emerging Asian Stkmkt	$0.931	1.001	-	46282
Emerging Stockmarkets	$1.058	1.138	-	46286
Hong Kong Stkmkt	$1.174	1.262	-	46287
Latin American Stkmkt	$1.166	1.254	-	46344
D-Mark Managed	DM1.127	1.212	-	46341

LUXEMBOURG (REGULATED)(**)

ACM Global Investment

Growth Funds

[illegible]

FT MANAGED FUNDS SERVICE

Offshore Insurances and Other Funds

● FT Cityline Unit Trust Prices: dial 0891 430010 and key in a 5 digit code listed below. Calls are charged at 50p per minute at all times. International access available by subscription only. For more details call the FT Cityline Help Desk on (+44 171) 873 4378.

	Selling Price	Buying Price	Yield Gross	City-Line
Old Mutual International - Contd.				
Swiss Franc Money Mkt.	SFr1.298	1.395	-	45828
Cornerstone	SFr1.117	1.202	-	44470
DEM Deutschemark Mgd	DM2.898	3.113	-	43146
$ Secure Stock Index	$0.949	1.021	-	46218
£ Secure Stock Index	£0.954	1.027	-	46219
Rothschild High Yield	$0.945	1.018	-	-
Fidelity Managed Currencies	£1.004	1.079	-	-
Fleming FF Eastern European	DM0.907	0.976	-	-
Perpetual UK Growth	£0.958	1.041	-	-
GT Investment	$0.914	0.983	-	-
Schroder CSF European Emerg.	DM0.963	1.036	-	-
Gartmore CSF US Smaller Cos	$0.843	0.907	-	-
GT NICS	$0.904	0.973	-	-
Broker Managed Funds				
£ OFS Global Port	£1.412	1.519	-	45831
£ YRA Worldwide	£1.303	1.401	-	43632
$ YRA Dlr Worldwide	$1.485	1.596	-	42071
Young & Co Bond P'folio	$1.275	1.371	-	40346
Pioneer Mid Term Agg	$1.163	1.250	-	50238
Pioneer Long Term Cons	$1.182	1.271	-	50239
Pioneer Long Term AGG	$0.958	1.041	-	49502
HFP Selective Mgd	$1.240	1.333	-	44481
Aramon International Managed	$0.874	0.940	-	56269
Meyado Intl Ltd Global Gwth	DM0.893	0.960	-	44158
Old Mutual International (Ireland) Ltd				
PO Box 121, St Peter Port, Guernsey				01481 726726
Emerging Markets Bond	$1.382	1.486	-	54452
US$ Emerging Stockmarket	$0.958	1.028	-	54453
US$ European Stockmarket	$1.337	1.437	-	54454
DEM European Stockmarket	DM1.656	1.780	-	47567
US$ Managed Currency	$0.930	1.000	-	49118
DEM Managed Currency	DM0.930	1.000	-	49119
Sterling Managed Currency	£1.102	1.185	-	50141
US$ Intl Fixed Interest	$1.058	1.135	-	49121
DEM Intl Fixed Interest	DM1.083	1.165	-	49122
Sterling Intl Fixed Interest	£1.063	1.143	-	50142
US$ Managed	$1.123	1.207	-	49124
DEM Managed	DM1.219	1.308	-	49125
Sterling Managed	£0.972	1.046	-	50143
US$ Intl Stockmarket	$1.152	1.239	-	49127
DEM Intl Stockmarket	DM1.202	1.293	-	49128
Sterling Intl Stockmarket	£1.075	1.156	-	50144
US$ Special Market	$0.846	0.910	-	49130
DEM Special Market	DM0.944	1.015	-	49131
Sterling Special Market	£0.877	0.943	-	50145
Fidelity Managed Currencies	£1.004	1.079	-	-
Fleming FF Eastern European	DM0.907	0.975	-	-
Perpetual UK Growth	£0.958	1.030	-	-
GT Investment	$0.914	0.983	-	-
Schroder CSF European Emerg.	DM0.963	1.035	-	-
Gartmore CSF US Smaller Cos	$0.851	0.926	-	-
GT NICS	$0.910	0.979	-	-
Old Mutual International (Isle of Man) Ltd				
Victory Hse, Prospect Hill, Douglas, IoM				01624 663692
Distribution Fund-Deferred	51.31		-	53194
Distribution Fund-Capacity	51.87		5.44	53195
Distribution Fund-Half Yearly	51.34		5.54	53196
European Equity	170.20	183.01	-	44915
Far Eastern Equity	$1.7607	1.8932	-	44916
North American Equity	$1.6165	1.7381	-	44917
UK Equity	185.13	199.06	-	44918
UK Gilt & Fixed Int	120.48	129.55	-	44919
Dollar Deposit	$0.7748	0.8331	-	44920
Sterling Deposit	110.11	118.39	-	44921
Managed Currency	82.57	88.78	-	44922
International Managed	147.32	158.40	-	44923
Pension Managed	99.40	106.81	-	49142
Global Accumulation	$0.5118	0.5502	-	49143
Secure Growth	48.76	52.42	-	46453
PanEuroLife societe anonyme				
36 Av Marie-Therese, Luxembourg				00 352 456730
French Balanced Mar 19	FFr7635.25		-	50225
German/Benelux Mar 19	DM3483.63		-	50226
Global Equities Mar 19	$1400.59		-	50227
UK Secure Gth Mar 19	£781.83		-	50228
US Secure Growth Mar 19	$1262.56		-	53197
Intl Real Estate Mar 19	Ecu1641.24		-	50229
Fund of Funds Mar 19	Ecu1372.94		-	50230
Wyvnac DEM Guaranteed 1.50%	DM1040.29		-	-
Wyvnac LUF Guaranteed 4%	LFr1047.63		-	-
Wyvnac USD Guaranteed 1.50%	$1041.86		-	-
Wyvnac FF Guaranteed 3.50%	FFr1041.86		-	-
USD 2004	$513.20		-	-
Premier Life				
1 Rue Emile Bian, Luxembourg				Tlx 2808 Tel 4050751
Davenport Chadwick £ Fd	£1.280	1.380	-	45916
Matheson £ Pens	£1.100	1.170	-	45921
Matheson $ Pens	$1.030	1.090	-	45922

	Selling Price	Buying Price	Yield Gross	City-Line
$ Aggressive Baring Mgd	$1.651	1.775	-	47398
$ Cautious Guinness Flight	$1.277	1.373	-	44493
$ Balanced Gartmore	$1.431	1.538	-	44494
$ Balanced Fidelity	$1.757	1.889	-	43746
$ Balanced INVESCO	$1.493	1.605	-	47730
$ Aggressive Perpetual	$1.765	1.897	-	47731
$ Deposit	$1.283	1.379	-	47402
ECU Cautious Guinness Flight	Ecu1.512	1.625	-	44436
ECU Balanced Gartmore	Ecu1.653	1.777	-	44497
ECU Balanced SA SICAV	Ecu1.418	1.524	-	43751
ECU Balanced INVESCO	Ecu1.468	1.578	-	47732
S.A.M. 1 AuS	A$2.145	2.257	-	47405
S.A.M. 2 AuS	A$1.144	1.204	-	50246
S.A.M. 3	£2.120	2.231	-	47407
S.A.M. 4	£1.734	1.825	-	47408
S.A.M. 5 Yen	Y169.918	128.882	-	50247
S.A.M. 6 Yen	Y118.350	124.782	-	50248
£ Highrate	£2.580	2.580	-	50249
OFS Sterling	£1.107	1.190	-	45495
OFS Dollar	$1.208	1.289	-	45494
UK Expats Worldwide Mgd	$1.524	1.638	-	44498
Argent	£2.522	2.711	-	49513
Richmond Navigator	$1.026	1.103	-	51585
$ GNI Bullet	$1.278	1.374	-	52372
£ GNI Bullet	£1.236	1.329	-	52373
Jardine Fleming Pacific Securities £	£0.889	0.955	-	53200
Jardine Fleming Pacific Securities $	$1.372	1.475	-	49521
Stakes Managed Liquidity $	$1.322	1.421	-	55249
Stakes Managed Liquidity £	£1.339	1.439	-	55250
Global Portfolio	£1.067	1.147	-	58080
Meyado DM Velocity £	£0.807	0.867	-	45784
Meyado DM Velocity US$	$0.802	0.862	-	45173
CFS Dollar Balanced	$0.972	1.045	-	-
Scemsig Intl Managed	$0.959	1.031	-	45097
Pinnacle Sterling	£0.922	0.991	-	58076
Pinnacle US Dollar	$1.050	1.128	-	58077
Scottish Equitable International SA				
24-28 Place de la Gare, L-1616 Lux.				00 352 4818811
UK Cash (£)	£1.08789		-	58272
UK Fixed Interest (£)	£1.19		-	58273
UK Deferred Distribution (£)	£1.235		-	58274
Mixed (£)	£1.207		-	58275
Global (£)	£1.187		-	58276
International Equity (£)	£1.073		-	58277
Lux Moneys Income & Gwth	£1.048		-	47403
ESI Strategic Intnl Portfolio	£1.054		-	46226
Scottish Mutual International Plc				
16/17 Beresford Place, Dublin 1				00 3531 804 4000
£ Sterling Reserve	£1.0450	1.0450	-	46549
£ Safety Plus FTSE 100	£1.0710	1.0710	-	46534
£ Safety Plus FTSE 95	£1.1820	1.1820	-	46583
£ Safety Plus Mgd 100	£1.0740	1.0740	-	46440
£ Safety Plus Mgd 95	£1.2090	1.2090	-	46436
£ UK Equity	£1.1440	1.1440	-	46535
£ UK Fixed Interest	£1.0890	1.0890	-	49133
£ Safety	£1.0700	1.0700	-	49132
£ Growth	£1.0970	1.0970	-	49506
£ Opportunity	£1.0920	1.0920	-	48435
$ Reserve	$1.0450	1.0450	-	46561
$ Global Equity	$1.1050	1.1050	-	46510
$ Global Bond	$0.9800	0.9800	-	46462
$ Fixed	$0.9720	0.9720	-	46537
$ Safety	$1.0430	1.0430	-	46562
$ Growth	$1.0980	1.0980	-	46481
$ Opportunity	$1.1440	1.1440	-	46493
$ Safety Plus Mgd 100	$1.0630	1.0630	-	46450
$ Safety Plus Mgd 95	$1.2230	1.2230	-	46536
Scottish Provident Intl Life Ass Ltd				
Ballacottier Bus Pk, Cooil Rd, Douglas, IoM IM2				01624 681681
Stg Adventurous Mngd (Ser I)	£2.048	2.203	-	47483
Stg Balanced Mngd (Ser I)	£1.959	2.107	-	47489
Stg Cautious Mngd (Ser I)	£1.711	1.840	-	47482
US$ Adventurous Mngd (Ser I)	$1.734	1.865	-	49540
US$ Balanced Mngd (Ser I)	$1.700	1.828	-	49541
US$ Cautious Mngd (Ser I)	$1.519	1.631	-	49542
Stg Adventurous Mngd (Ser II)	£0.958	1.028	-	46770
Stg Balanced Mngd (Ser II)	£0.980	1.054	-	46771
Stg Cautious Mngd (Ser II)	£0.980	1.054	-	46772
US$ Adventurous Mngd (Ser II)	$0.966	1.038	-	46773
US$ Cautious Mngd (Ser II)	$0.992	1.067	-	46775
US$ Balanced Mngd (Ser II)	$1.011	1.088	-	46774
Stg Deposit	£1.351	1.453	-	49543
US$ Deposit	$1.161	1.249	-	49544
ECU Deposit	Ecu1.397	1.503	-	49545
N American Bond	$1.328	1.428	-	49537
European Bond	Ecu1.722	1.852	-	49535
UK Bond	£1.623	1.746	-	49538
Far Eastern Bond	$1.840	1.784	-	49536
World Bond	$2.567	2.761	-	49539
N American Equity	$4.697	5.051	-	49532
European Equity	Ecu2.754	2.962	-	49530
UK Equity	£1.969	2.118	-	49533
Far Eastern Equity	$2.648	2.848	-	49531
World Equity	$2.648	2.848	-	49534
Global Gwth Portfolio	£1.539	1.655	-	50292
Building Society Acc	£1.029	1.107	-	58279
US Dollar Managed Currency	$0.893	0.961	-	48737
Far East (Exc Japan)	$0.980	1.071	-	48742
China Opportunities	$1.261	1.356	-	48741
UK Blue Chip	£1.190	1.280	-	48745
Sterling Managed Currency	£0.918	0.988	-	48640
Technology	$1.067	1.148	-	48740
India	$0.841	0.905	-	48747
Guaranteed Deposit	£1.019	1.096	-	48738
American Opportunities	$1.141	1.227	-	48748
Emerging Markets	$1.191	1.281	-	48750
Japan Growth	$0.694	0.747	-	48765
Latin America	$1.272	1.368	-	48749
Special Situations	£1.258	1.353	-	48767
UK Safeguard Current (Stg)	£1.027	1.104	-	48778
Fund mng price on Mar 20 1997	£1.004		-	48784
US Safeguard Current	$1.005	1.081	-	48785
Fund mng price on Mar 20 1997	$0.982		-	48786
Japan Safeguard Current	$0.878	0.941	-	48787
Fund mng price on Mar 13 1997	$0.789		-	48788
Broker Funds				
OFS Intl Curr & Bond	$1.095		-	54659
OFS Capital Builder	£1.203		-	54660
OFS Intl Balanced	$1.589		-	54661
OFS Mngd Intl Equity	$7.418		-	54662
OFS Geared Bond	$1.195		-	54663
OFS Intl Warrant	$1.388		-	54664
Home & Overseas Global	109.5	117.7	-	45239
PFS Apollo	$1.028	1.105	-	-
Sun Alliance International Life				
PO Box 77, Les Echelons Ct, St Peter Port, Gnsy				01481 714108
US Dollar Global Managed	$2.21	2.39	-	49428
Stg Global Managed	£2.19	2.37	-	49429
Sun Life International (IOM) Ltd				
Bridge House, Castletown, Isle of Man				
Tel: 44 (0) 1624 826000				Fax: 44 (0) 1624 825840
Prices Line: 44 (0) 1624 824748				
Aggressive Managed	£1.439		-	53375
Balanced Managed	£1.321		-	53377
Defensive Managed	£1.265		-	53378

OTHER OFFSHORE FUNDS

	Selling Price	Buying Price	Yield Gross	City-Line
ATSP Management Ltd				
Philippines Long Term Equity				
NAV Feb 28	$43.80		-	49417

	Selling Price	Buying Price	Yield Gross	City-Line
AXA Asset Management				
AXA Valeurop	FFr197.826		-	58565
AXA Europe Actions Cap.	FFr347.986		-	58699
AXA Europe Actions Dist.	FFr347.986		-	-
AXA Court Moyen Terme Cap.	FFr158.292		-	60066
AXA Court Moyen Terme Dist.	FFr153.801		-	-
AXA NPI Cap	FFr152.739		-	58560
AXA NPI Dist	FFr152.739		-	-
Apax Bank & Trust Company				
GCM Intl Convertible (OEIC)	$1287.50		-	-
GCM Intl Fixed Income (OEIC)	$1152.09		-	-
GCM Intl Equity (OEIC)	$130.87		-	-
Acciones y Valores de Mexico SA de CV				
Accival Mar 18	Pesos64.11		-	55258
Africa Emerging Markets Fund				
NAV Feb 28	$15 148		-	58392
Agribusiness Fund Management Co				
ABC Bond	$10.00		-	48839
Citrust	$1.11		-	48847
Alliance Capital				
International	$18.08	18.88	-	44695
International Class B	$17.17		-	42491
Quasar	$27.68	28.39	-	44671
Quasar Class B	$25.86		-	42528
Global Small Cap	$12.58	13.14	-	44673
Global Small Cap Class B	$11.82		-	50294
ACM Research Class I (OEIC)	$7100.43		-	-
Allied Dunbar International Fund Mngrs (1600)F				
ADI Emerging Asia	$0.6804	0.7273	0	46659
Alnista Capital Management Ltd				
Alnista Growth Fund and Unit Trust				
Class A	$98.85	101.91	-	46866
Class B	$98.85	101.81	-	46848
Alpha Fund Management Ltd				
Alpha Europe Feb 28	Ecu290.37		-	50256
Alpha Futures Feb 28	$258.62		-	50257
Alpha Global Feb 28	$1112.33		-	50258
Alpha Altra Jan 31	$109.69		-	53201
Alpha Altra Fd Ltd NYC Cl	$156.54		-	-
Alpha Asia Tiger Class Feb 26	$123.65		-	46951
Alpha Hedge Class A Feb 28	$592.95		-	50259
Alpha Hedge Class B Feb 28	$155.02		-	55259
Alpha Hedge Class C Feb 28	$148.33		-	55260
Alpha Latin Am Jan 31	$444.45		-	49598
Alpha Pacific Feb 28	$359.30		-	50260
Alpha Short Feb 28	$48.15		-	49546
Alpha Tikkala Feb 28	$224.24		-	49589
Bearbroke Global Fund Feb 28	Ecu213.72		-	50261
Greenline Latin America Class Ch	$130.03		-	47158
Leveraged Latin America Ltd Cl	$129.49		-	-
Globalvest Value Jan 31	$181.41		-	49578
Lakeside Sands Fd Ltd Jan 31	$147.46		-	53900
Pacific Rim Opp BVI Feb 22	$97.82		-	50263
The Russia Fund Ltd Feb 28	$246.30		-	55891
Sanford Pacific Fd Class A	$132.73		-	47253
Sarfas Global Opp Fd Ltd Feb 28	$114.72		-	55261
India Performance Feb 28	$89.51		-	47123
Aravis Capital Advisers LLC				
Aravis Clipper Ltd	$124.86		-	47193
Arc Investment Company Ltd				
Rainbow	$588.90		-	47795
Rainbow	SFr633.83		-	47801
Arisaig Partners (BVI) Ltd				
Arisaig Asian Small Companies Fund				
NAV	$10.51		-	-
Arnhold and S. Bleichroeder, Inc				
Atlas Corporation-Class A	$11008.29		-	55282
Accumulated Fd Ltd-Class A	$732.18		-	55283
CSF Accumulated N.V.-Class A	$16890.33		-	55284
Eagle Select Fund Ltd	$1027.86		-	-
First Eagle Fund N.V.-Class A	$90001.54		-	55285
Global Brokerage-Class A	$122.97		-	58428
Asia Pacific Capital Strategies Fund				
NAV Mar 17	$8.2268		-	54668
Asia Pacific Securities Corp Ltd				
Indian Smaller Cos Fd Ltd Mar 14	$8.39		-	55288
Asian Convertibles & Income Fd (Cayman)				
NAV Mar 13	$13.03		-	44490
Atlantis Fund Management (Guernsey) Ltd				

	Selling Price	Buying Price	Yield Gross	City-Line
AndorDivisa	Pta10794.2950		-	48487
Bank of America				
World Horizon Funds				
Aggressive Growth NAV	$10.10		-	48327
Intl Equity NAV	$10.09		-	-
International Bond NAV	$9.25		-	-
US Bond NAV	$10.07		-	55893
US Equity NAV	$12.600		-	55894
Bank of Nova Scotia Trust Co (Cayman) Ltd				
Canadian Equity Growth	C$1.4265		-	48405
Global Growth	$1.2386		-	48424
North American Sovereign	$1.2192		-	48389
Bank Von Ernst & Cie AG				
Crossbow (Far East)	SFr18.82	19.95	-	45266
CSF (Int Mgd)	SFr61.86	65.35	-	45257
O'seas Fd (N Amer)	$81.53	85.82	-	45263
Bque Fr Serv & Co/Europ Inv Mgt Ltd				
Partner Emerging Markets Umbrella Fund				
Latin Am Class A Dec 31	$9.57		-	50269
Global Class A Mar 14	$13.63		-	50270
Barclays Diversified Fund				
NAV	Pta1309835.77		-	53853
Barclays Global Investors Hong Kong Ltd				
Taiwan Index Fund Ltd				
Index NAV	$15.155		-	43853
Liquidity NAV	$10.455		-	43854
Bombay Fund Ltd				
NAV Mar 18	$9.78		-	49593
Baring International Group				
Panna Fd NAV Mar 14	$35.30xd		-	48922
Chrysalis NAV Mar 14	$9.37		-	47119
Peacock dll			-	55307
Peacock usdll Mar 20	$7.4749		-	55308
Stellar Usdll	$12.02		-	47463
Stellar dll Mar 14	$11.68		-	47466
First NIS Regional Feb 28	$18.15		-	48959
World Value Mar 19	$17.47		-	-
The Batavia Fund Ltd				
NAV Mar 14	$17.16		-	43674
Beacon Ventures Ltd				
Series 1 Mar 18	$1177.84		-	-
Series 2 Mar 18	$1112.18		-	-
Series 3 Mar 18	$1092.25		-	-
Series 4 Mar 18	$1071.86		-	-
Series 5 Mar 18	$989.02		-	-
Bear, Stearns International Ltd				
Emerging Mkts Fixed Inc Mar 18	$8.52	8.81xd	-	52495
Beale & Co (Bermuda) Limited				
Multi-Strategy Mgd Futures Fund	$10.3980		-	-
Belgrave Capital Management Ltd				
Condor Lat Opp NAV Feb 28	$12.74		-	58410
Condor Liquidity NAV Mar 14	$10.9220		-	47440
Bellwest Funds				
Realty	$111.33	116.90	-	58412
Brazil-Select Fd	$121.09		-	48608
Bellwest-Multi Bond Fd	$1494.22		-	52178
Berkshire Capital Management Group Ltd				
Adda Capital Growth Mar 7	$6.61		-	55685
Adda Bio-Medical Growth Mar 7	$5.92		-	58367
Adda Rich Technology Growth Mar 7	$4.97		-	48571
Vace Capital Growth Mar 7	$4.83		-	-
Bermuda Capital Company Ltd				
NAV Feb 26	$57.17		-	49592
Best International Management Inc				
Best Investments International Inc				
First Generation Growth Shares	$53.60		-	-
First Generation Income Shares	$75.19		-	-
Investors Growth Shares	$53.07		-	-
Investors Income Shares	$75.25		-	-
Blakemore Holdings Inc				
Managers: Coutts & Company, (Bahamas) Ltd				
Investment Advisers: Ferrous Gordon & Co				
NAV Mar 11	$4.25xd		-	55338
Boavista - VistaFund				
Vista Equity Sub-Fund	$316.3260		-	49346
Vista Fixed Income Sub-Fund	$121.1250		-	49347
Vista Fixed Balanced Sub-Fund	$208.8132		-	49316
Vista Portfolio Sub-Fund	$121.0170		-	49324
Vista High Yield Sub-Fund	$147.7724		-	49323
Brunswick Capital Management (Cayman) Ltd				
Brunswick Russian Growth Mar 19	$279.21	290.52	-	-
Buchanan Capital Management Ltd				
Global £* Mar 7	£15.55		-	50585
Global Swr Fr* Mar 7	SFr14.13		-	58339
Global US$* Mar 7	$14.60		-	49605
European & Atlantic* Mar 7	$16.60		-	49606
Pacific* Mar 7	$11.95		-	49607
Emerging Markets* Mar 7	$9.86		-	49608
Special Emg Markets* Mar 7	$21.96		-	44489
* Estimated Weekly Net Asset Value				
Butterfield Fund Managers (Cayman) Ltd				
Butterfield International Balanced	$10.60	10.92	-	47593
CA Securities Investment Fund Mangt Ltd				
Hong Gov Debt Mar 14	HK$10761.39		-	43612
CB Asset Management				
European Quality	DM158.48		-	49550
CDC International				
CFI Short Term Mar 7	FFr200709.00		-	44948
CH Fund Managers (Bermuda) Limited				
Direct Curr Fd Feb 28	$10.06		-	43044
CML Fund Management Ltd				
CML Strategic Bond	$113.77360		-	-
CML Strategic Investment	$130.02		-	-
CML Israel Ventures A	$1265.87		-	-
CML Israel Ventures B	$1095.69		-	-
Camco Investment Management Ltd				
Eastertism-Equity	SFr131.30	135.24	-	47335
Eastertism-EMERGE	$13.13	13.79	-	51736
Capital International				
Capital Intl. Fund (z)	$182.58		-	44329
Cathay Investment Fund Limited				
NAV Dec 31	HK$515.74		-	49613
Cazenove Funds Management Ltd				
Indian Pfolio Ltd	$8.49		-	47713
Chameleon Funds Limited				
Panmure Gordon & Co Limited - UK Representative				
UK Equity Fund	£153.28	154.48	-	49674

	Selling Price	Buying Price	Yield Gross	City-Line
Citibank Global Asset Mgmt (Asia) Ltd				
Nippon Fd	$74.98		-	44784
Asian Equity	$9.16		-	47303
Hong Kong Equity	$11.87		-	47304
Citizens Investment Trust Mgt Co Ltd				
Korea Growth Tst NAV (z)	$22.96		-	50288
Korea 1990 Tst NAV (z)	$3.80		-	50289
Seoul Asia Index Tst NAV (z)	$9.39		-	49650
For Clariden see Guernsey(Regulated)				
Coast Asset Management Corporation				
Coast Enhanced Income II Ltd	$14198.82		-	53901
Coast Arbitrage Ltd	$25388.14		-	53902
Coast Diversified Fd Ltd	$17782.03		-	-
Columbus Asset Management Ltd				
India	$4.811		-	55345
New Millennium Fund Inc	$11.175		-	49821
Nth American Feb 28	$8.6722		-	53910
Connor Asset Management Ltd				
Eastern Capital Fd NAV	$33.96		-	47300
Cowen Enterprise Fund N.V.				
Class A Shares	$1211.36		-	54681
Class B Shares	$1887.33		-	54682
Craig Drill Capital Ltd				
NAV Mar 5	$259.39		-	49823
Credis Investment Funds				
Actac	SFr1520.74		-	55713
Credis Asian Fund	$436.32		-	56391
CS Fonds-International	SFr174.84		-	55715
Energie-Valor	SFr205.27		-	55716
Eurac	SFr604.31		-	55717
CS Gold Valor	$137.41		-	48586
CS Tiger	$1221.82		-	47938
Pacific-Valor	SFr92.86		-	55718
Actions Suisses	SFr1234.58		-	55719
SVB Emetac	SFr1051.99		-	55720
SVB Pharma	SFr863.78		-	55721
Swissac	SFr4138.39		-	50498
Bond Valor D-Mark	DM132.74		-	55722
Bond Valor SFR	SFr125.46		-	55723
Bond Valor US-Dollar	$138.38		-	55724
Bond Valor £ Sterling	£104.24		-	55725
Bond Valor Yen	Y11748		-	55726
Convert Valor SFR	SFr173.85		-	55727
Convert Valor US-Dollar	$202.35		-	55728
Credis Convert Valor £ Sterling	£104.93		-	55729
CS Fono-Bonds	SFr107.92		-	55730
SVB Bond International	SFr65.34		-	55731
Swiss Franc Bond	SFr1733.38		-	55732
CS Euroreal	DM105.56		-	49315
Credit Agricole Group/Segespar				
Green Way Ltd	$22316.51		-	47471
Green Way Guaranteed Ltd	Ecu1888.85		-	49875
Green Way Guaranteed 8	FFr113.09043		-	47028
Credit Lyonnais Intl Asset Mgmt (HK) Ltd (1200)				
Asia-Pacific Growth	$0.995	1.045	-	47565
Singapore Growth	$1.090	1.145	-	47572
Pakistan Gth Mar 17	$6.82	7.18	-	47547
Regional China	$1.240	1.305	-	50299
Regional India	$0.736	0.770	-	55552
Creditanstalt Investment Co (Prague) as				
Creditanstalt Inv Co Stock Fund	CKr1.201		-	53204
Crosby Asset Management Ltd				
Asia Vision Au Mar 10	$11.77		-	55733
China Inv Co Ltd NAV Jan 31	$8.70		-	50287
China Vision Au Mar 10	$14.81		-	54683
Crystal Corporation N.V.				
Sks Class A/B Mar 14	$143.25	145.96	-	50294
Crystal Fund Managers Ltd				
Crystal Fund Ltd				
Crystal I Feb 28	$12.15	12.78	3.06	49927
Cuirass Global Management Limited				
The Elder Fund (OEIC)	$1104.79		-	-
DWS Deutsche Ges. F. Wertpapiersp				
Investa	DM120.65	126.63	-	44870
Provesta	DM189.38	196.96	-	44871
Intrenta	DM72.21	74.02	-	44872
Inter-Renta	DM32.41	33.38	-	49986
Daehan Investment Trust Co Ltd				

	Selling Price	Buying Price	Yield Gross	City-Line
ENR Eastern Natural Resources SA				
NAV Mar 17	SFr215.92		-	58384
Fully Diluted Mar 17	SFr184.00		-	48651
East Europe Development Fund Ltd				
Participating Shs NAV Mar 14	$44.0173		-	55355
Edelweiss Portfolio Ltd				
1995 Swiss Franc Pfolio Ltd	SFr1030.53		-	47319
Edinburgh Fund Managers (Bermuda) Ltd				
Edinburgh Global Assets Fund Ltd				
United States	$9.66		-	-
U.S. Smaller Cos	$8.79		-	-
Japan	$10.00		-	-
Asia Pacific	$10.00		-	-
Europe	$9.93		-	-
Egerton European Dollar Fund Ltd				
NAV Mar 20	$18.06		-	55477
Egerton European Equity Fund Ltd				
NAV Mar 20	DM18.48		-	55478
Emcor Limited				
Diversified Currency Portfolio	$1007.92	1028.8	-	65357
Emerging Markets Management				
Emer Mkts Strat Mar 14	$587.16		-	49049
Latin Am Eco Mkts Mar 14	$42.58		-	50301
Latin American Small Cap Feb 28	$10.72657		-	-
Enigma Investments Ltd - Cayman				
Enigma Diversified Jan 31	$40.45		-	52784
Fortuna Intl Feb 28	$17.25		-	53981
Kodiak Intl Jan 31	$28.98		-	53982
Convertible Feb 28	$43.79		-	58393
The Environmental Investment Co Ltd				
Ecofin Fund Management Ltd				
Ord NAV Mar 18	$5.10		-	50303
ZDPs	£1.07		-	-
Ermgassen & Co Ltd				
Quality Arbitrage U.S. Fd Ltd			-	-
Ermitage Group				
Ermitage Odey Fund	DM13.41		-	48841
Ermitage Mount Ras Strategy	DM11.79		-	52887
Ermitage Selz Fd Ltd	$89.73		-	44928
Ermitage UK Value Fd	£17.08		-	55358
Erm Emerging Mkts	$23.13		-	48840
Ermitage Intl Bond Fd	$22.49		4.66	44930
Ermitage Gbl Alloc Inv	$15.25		-	47587
Ermitage Managed Funds, Bermuda				
Ermitage Asset Selection Fund $	$12.02		-	55359
Ermitage Asset Selection Fund £	£11.94		-	55360
Erm Northbridge Fund $ Mar 19	$11.91		-	55361
Erm Northbridge Fund £	£12.07		-	55362
Esperia Group (Bahamas) Inc				
Royce Hedge Fd Ltd	$7000.09		-	-
Europe 1992				
NAV	$15.57		-	48224
Eurovest Ltd				
NAV (est) Mar 14	DM1122.35		-	-
Fairway International Ltd				
Stafford	DM1899.75		-	47204
Stafford Asia	$1018.35		-	47188
Stafford Opportunity	$1056.55		-	47224
Stafford Commodity	$1095.94		-	47225
Falcon Fund International Inc				
Falcon NAV Feb 28	$289.3075		-	47736
Fekstein Capital Management Corporation				
Fekstein Offshore Fd Inc Cl A Feb 28	$174.85		-	-
Fekstein Offshore Fd Inc Cl B Feb 28	$168.58		-	-
Fenchurch Capital Management, Ltd.				
Gamma	$2231.01		-	58741
Fidelity Advisor World Funds				
US Lrg Cap Stock Cl A Mar 20	$12.77		-	48408
US Lrg Cap Stock Cl B Mar 20	$12.69		-	-
US Lrg Cap Stock Cl I Mar 20	$12.93		-	48613
Europe Cl A Mar 20	$12.44		-	48502
Europe Cl B Mar 20	$12.42		-	-
Europe Cl I Mar 20	$12.67		-	48614
Global High Income Cl A Mar 20	$9.79		-	-
Global High Income Cl B Mar 20	$9.79		-	-
Global High Income Cl I Mar 20	$9.79		-	-
Southeast Asia Cl A Mar 20	$10.65		-	48409
Southeast Asia Cl B Mar 20	$10.55		-	-
Southeast Asia Cl I Mar 20	$10.79		-	48616
US Govt Investment Cl A Mar 20	$9.66		-	48500
US Govt Investment Cl B Mar 20	$9.65		-	-
US Govt Investment Cl I Mar 20	$9.64		-	48620
US Intermediate Bond Cl A Mar 20	$9.65		-	48501
US Intermediate Bond Cl B Mar 20	$9.65		-	-
US Intermediate Bond Cl I Mar 20	$9.65		-	48613
Fidelity Investments				
Japan OTC Regional Mkts NAV	$5.60		-	49234
Fides Asset Management Ltd				
Capital Growth Fd NAV Feb 28	$1201.197		-	47236
Financiere Atlas				
Atlas France (z)	FFr136.21		-	50369
Option 2109 (z)	FFr10369.07		-	55370
Atlas Tigre (z)	$929.40		-	55372
Firebird Capital Management				
Overseas Ltd NAV Dec 31	$202.93		-	61823
First Investments Ltd				
Leveraged US Govt	$8.62	6.868	-	49862
FIL Developing Markets	$8.44	8.7695	-	52866
First Mexico Income Fund				
First Mexico Inc	$16.63		-	44947
Fleming Leveraged Emerging Mkt Portfolio Ltd				
NAV Mar 18	$11.10		-	-
Formosa Fund				
NAV Mar 21 IDR US$14878				
Formosa Growth Fund Limited				
NAV	$19.14		-	50307
Framlington Group Plc				
Eastern Europe Fund Ltd Feb 28	$141.33		-	55308
Franck Asset Management				
Multi-Advisor Gwth Mar 19	$1108.61		-	-
Frank Russell Investments (Cayman) Ltd				
US Equity	$174.47		-	55375
Futura World Trade Fund				
NAV	£820.16		-	47381
GBC Asset Management				
GBC Nth American Gth Inc*	$37.74		-	48768

	Selling Price	Buying Price	Yield Gross	City-Line
GT Chile Growth Holdings Limited				
GT Fund Shares				
NAV Mar 18	$43.79		-	47335
FAV	$40.80		-	48726
GT Global				
GT Africa A Fd	$13.18	13.85	0.00	48717
GT Africa B Fd	$13.22		0.00	48280
GT Africa A Fd	£8.22	8.65	0.00	49128
GT Africa B Fd	£8.26		0.00	49123
GT Deutschland Fd (z)	$15.02		-	45041
GT Global Small Cos(z)	$33.03		-	45048
GT Korea Fd (z)	$2.65		-	47662
GT Newly Ind Ctr Fd	$81.67	85.91	0.80	45051
GT Newly Ind Cs Fd	$50.86	53.56	0.00	54041
GT Taiwan Fd (z)	$12.27		0.00	50313
Gaia Currency Funds				
Gaia Hedge II	$203.23	204.18	-	48273
Gaia Gtd Crncy I	$37.82		-	45241
Gaia Gtd Crncy P	$95.48		-	45867
GAIA FX Limited	$197.49	198.01	-	49000
Garantia Banking Ltd				
Emerging Fund Ltd (z)	$1.380253		-	58817
Gar High Equity Fund Ltd Feb 3	$287.149598		-	34042
Gar Debt Fund Ltd Mar 3	$2.486702		-	52852
IDU High Lev Ltd	$1.811991		-	55992
Gar Eqty Mst Ltd (z)	$1.354887		-	55747
Gar Eqty Ntd2 Ltd (z)	$1.205241		-	-
Fixed Income Fd Ltd Mar 3	$1.147227		-	58421
El Bond Lev Ltd (z)	$1.841070		-	48729
Garantia Investment Feb 3	$1.181375		-	-
Garantia Fund of Funds Ltd				
Ser A,Mb B Fnd Inc est Feb 28	$1.305701		-	47432
Ser B G7 Equity est Feb 28	$1.578031		-	42434
Ser C Macro & Emerging est Feb 28	$1.351580		-	47438
Gems Management Ltd				
Gems Progressive Fd Ltd Cl A Sh	$1687.31		-	47993
Gems Progressive Fd Cl B Sh	$2077.04		-	54171
Gems Progressive Fd Cl J Sh	$2242.08		-	54172
Gems Progressive Fd Cl 7 Sh	$1374.41		-	54173
Gems Russia Fd Ltd Cl A Sh	$2512.08		-	47591
Gems Russia Fd Ltd Cl B Sh	$1665.04		-	-
Genesis Fund Managers Ltd				
Chile Fd NAV Mar 14	$30.64xd		-	47863
Emerging Mkts Mar 14	$20.35		-	47430
Multiple Mkts Mar 14	$42.50		-	41587
Condor Fd Mar 14	$30.89		-	46937
Global Asset Management				
Offshore Funds				
GAM Arbitrage	$548.03		-	45401
GAM Asian	$403.52		-	45402
GAM Asian Dev Mkts	$111.27		-	48981
GAM Australia	$268.03		-	45103
GAM BXP Inc			-	-
GAM Bond £	£191.99		-	45137
GAM Bond DM	DM142.99		-	45136
GAM Bond SFr	SFr118.78		-	45134
GAM Bond US$ Ord	$161.97		-	45132
GAM Bond US$ Special	$213.30		-	45133
GAM Boston	$149.24		-	55383
GAM Cross Market	$136.05		-	49884
GAM Diversity	$257.71		-	47931
GAM Dollar & International	$101.38	102.71	-	-
GAM East Asia	$601.78		-	45113
GAM Emer Mkts Multi-Fd	$234.05		-	49865
GAM Franc-val	SFr202.82		-	45109
GAM France	FFr2298.07		-	45108
GAM GAMCO	$328.32		-	45123
GAM High Yield	$708.54		-	45112
GAM Hong Kong Inc	$94.01		-	-
GAM Interest Trend Inc	$150.19		-	-
GAM Japan	$918.93		-	45115
GAM Leveraged	$100.19		-	-
GAM Multi-Europe DM	DM185.22		-	49688
GAM Multi-Europe US$	$181.12		-	47125
GAM Multi-US US$	$117.48		-	48251
GAM Multi-US DM	DM132.98		-	48249
GAM Pacific	$327.75		-	45121
GAM Pan Europa Fonds	SFr152.92		-	55304
GAM Pan European	$148.04		-	55385
GAM Science	$104.48		-	48253
GAM Selection	$871.39		-	45186
GAM £ Special Bond	£159.51		-	45867
GAM SFr Special Bond	SFr185.87		-	47453
GAM Singapore/Malaysia	$826.10		-	45124
GAM Talent	$123.70		-	48984
GAM Trading DM	DM173.19		-	49658
GAM Trading US$	$232.28		-	43762

	Selling Price	Buying Price	Yield Gross	City-Line
Global Asset Management - Contd.				
GAM Select				
Select Asean Class A	$94.08		-	58529
Select Asean Class B	$92.18		-	58530
Select European A	$117.39		-	58531
Select European B	$110.14		-	58532
Select Japan A	$108.31		-	58533
Select Japan B	$109.18		-	58623
Select Money Markets A	$107.02		-	-
Select Money Markets B	$102.75		-	48663
Select North America A	$113.17		-	48227
Select North America B	$130.34		-	58537
Select Pacific A	$103.78		-	58538
Select Pacific B	$101.21		-	58539
GAM Managed Portfolio				
Managed Portfolio	$1294.41		-	58524
Swiss Registered Funds				
GAM (CH) Europa	SFr132.08		-	43767
GAM (CH) Mondial	SFr230.75		-	43763
GAM (CH) Pacific	SFr280.75		-	43766
SEC Registered Funds				
GAMerica Capital	$10.42		-	58528
GAM Asian Capital	$9.34		-	58522
GAM Europe	$12.99		-	47881
GAM Global A	$15.20		-	46110
GAM Global D	$74.90		-	48236
GAM International A	$23.94		-	46114
GAM International D	$23.85		-	49245
GAM Japan Capital	$9.89		-	55396
GAM North America	$14.52		-	47882
GAM Pacific Basin A	$14.68		-	45122
GAM Pacific Basin D	$74.62		-	48233
Global Alic Inc				
NAV Mar 11	$1165.25		-	51870
Global Convertible Megatrend				
NAV Feb 28	$124.62		-	59080
Global Investment Fund Ltd				
NAV Mar 20	$665.27		-	54079
The Global Managed Investec Bond Limited				
Global Growth	$1.083	1.117	0.00	49081
US Dollar Managed	$1.073	1.127	0.00	49087
European Managed	DM1.080	1.134	0.00	49086
Sterling Managed	£1.085	1.119	0.00	49082
Global Portfolio (BVI) Management Ltd				
Hydra	$11191.6		-	-
Pentax 1 Fd Ltd Feb 28	Y1092617		-	47280
Penta Directional Currency	$10384		-	-
Penta Europe US$	$28052		-	-
Penta Europe DM	DM48.769		-	-
Globalvest Management Co LP				
Latinvest Mar 1	$47.06		-	48632
Brazvest Mar 1	$36.83		-	48823
Goldman Sachs				
GS Adjustable Rate Mtge I Mar 12	$9.70		-	49870
GS Global Currency Feb 28	$1595.44		-	49871
GS Global Currency SF Feb 28	SFr1177.20		-	52708
Group One International Tst				
Merrill Lynch				
Smith Barney Inc				
GNMA UCITS Series 1	$222.90		-	44519
GNMA UCITS Series 2	$477.95		-	47758
GNMA UCITS Series 3	$788.94		-	49662
GNMA UCITS Series 4	$946.82		-	55749
Intl Second Canadian Bd Ser	$914.78		-	49893
Gryphon Fund Management Ltd				
Gryphon Bond Fd Ltd Feb 28	$95.67		-	55750
Mercantile Fund Ltd	$90.15		-	47825
Guardian Global Asset Management Ltd				
Growth NAV Feb 27	$125.4270		-	55393
Protector NAV Feb 27	$119.6567		-	55394
Geared NAV Feb 27	$134.0520		-	55395
HSBC Asset Management (Bahamas) Ltd				
Japanese Eqty Tactical	$9.76	7.16	-	42497
Asian Countries Tact	$20.49	21.60	-	42480
European Countries Tact	$14.58	15.44	-	42481
Managed	HK$16.81	17.57	-	43905
Private Capital Tst	$28.44	30.01	-	48487
China Fund Mar 14	$2.22		-	49862
Remark-Spinner Asset Management Company				
Renaissance Acc	$21.508		-	-
Hamon Asset Management Ltd				
Guaranteed International	13.19	13.36	-	58553
Selected Asian P'folio	$38.72	38.73	-	47943
Hasenbichler Asset Management GmbH				
Commodities AG Mar 20	$10330		-	50312
Forex Diversified Inc Mar 20	$213		-	52709
AFFT Stat Fest Fde Mar 20	$1898		-	50314
Hausmann Hldgs NV Curacao				
Hausmann Mar 15	$378.26	392.68	-	47435
Heritage Investment Fund Ltd				
Defensive Bond Feb 28	£105.85		-	-
Enhanced Bond Feb 28	£180.71		-	-
Global Equity Feb 28	£98.86		-	-

	Selling Price	Buying Price	Yield Gross	City-Line
ImPac Asia Pacific Funds Limited				
Hong Kong Mar 20	$14.85	15.88	-	48367
Indonesia Mar 20	$12.41	16.27	-	48368
Malaysia Mar 20	$14.26	15.06	-	48369
Taiwan Mar 20	$25.19	27.30	-	48370
Thailand Mar 20	$4.52	4.78	-	48371
ASEAN Mar 20	$9.53	10.07	-	48388
Asia Mar 20	$10.11	10.69	-	40492
Asia Convertible Bond Mar 20	$10.23	10.82	-	48411
Asia Greater China Mar 20	$14.38	15.18	-	48412
Asia Warrant Mar 20	$8.71	9.21	-	48415
Greater China Mar 20	$15.39	16.25	-	48416
CS Dollar Liquidity Mar 20	$12.42	12.43	-	48430
India Investment AG				
NAV Mar 19	SFr429.63		-	53406
The India Magnum Fund Ltd				
NAV Mar 7	$49.18		-	45308
The India Special Situations Fund Ltd				
NAV Feb 28	$232.04		-	58372
Indian Opportunities Fund Ltd				
Ordinary Mar 13	$8.26	8.19	-	52375
Indosuez Asset Management Asia Ltd				
Japan Fd (z)	$11.77	12.340	-	48086
Hong Kong Fd (z)	$63.53	66.980	-	45081
Managed Tst	$37.46	39.449	-	45082
S'pore & Malaysia (z)	S$46.865	52.290	-	45089
Asean Growth Fd (z)	$27.29		-	43295
Asian Income Fd (z)	$32.57		-	45099
EA Japan Fund (z)	Y866		-	42136
Pacific Gold Fd (z)	$27		-	45207
Mongolian Fd Mar 19	$14.54		-	44507
Malacca Mar 19	$21.18	21.30	-	47443
Manila Fd NAV Mar 13	$30.97	31.28	-	45088
Siam Fd NAV Mar 21	$38.37		-	45298
Indosuez Korea (z)	$7.54		-	47798
Bangladesh Mar 19	$11.35		-	55487
Indosuez Asean Growth	$9.88		-	55791
Asian Portfolios-Indonesia A	$19.39		-	48481
Asian Portfolios-Indonesia B	$18.51		-	48482
Asian Portfolios-Philippines A	$30.7		-	-
Asian Portfolios-Philippines B	$30.82		-	-
Indosuez Asset Mngt Emerging Markets SA				
Brazil Brady Mar 19	$215.5357		-	59420
Brazil Eq Tvst Ltd Mar 19	$124.435		-	-
Brazil Fixed Income Mar 14	$3460.95		-	54090
Eastern Europe Fixed Income	$132.4348		-	-
Integral Hedged Assets Ltd				
American Section	$13.97		-	58496
Japanese Section	£7.71		-	58497
Continental European Section	$28.25		-	58499
Intermarket Technical Group				
Technical Fund	$78.04		-	48230
The International Investor				
IIBI Wld Emerging Markets	$72.15		-	47785
TII Small-Cap Equity	$13.14		-	-
INVESCO Asia Ltd				
MFC INVESCO Thailand	$5.00	5.27	-	-
INVESCO Mount Fuji	$7.71	8.11	-	51577
INVESCO Asset Management				
India Growth Fund Ltd NAV	$9.9889		-	-
The Jaguar Fund N.V.				
NAV Mar 20	$353.50		-	50317
Jardine Fleming Inv Mngt Ltd				
JF Japan OTC NAV Mar 17	$8.78		-	47665
JF Asia Select NAV Jan 27	$1.76		-	48853
JF Philippine NAV Mar 17	$21.40		-	47934
JF Eastern European	$21.59	12.28	-	48945
Jardine Fleming Unit Trusts Ltd				
Asia Pacific Funds				
JF Asean Trust	$51.00	54.54	-	45331

	Selling Price	Buying Price	Yield Gross	City-Line
Jardine Fleming Unit Trusts Ltd - Contd.				
International Funds				
JF American Growth Tst	$30.91	32.39	-	45335
JF Continental Euro Tst	$4.45	4.72	-	45337
JF European Tst(A)	$18.99	20.10	-	45336
JF Germany Tst	DM14.17	15.00	-	48676
JF Global Bond & Currency Fd	$17.55	18.58	7.2	45338
JF Global Convertible Tst	$14.49	15.24	-	48759
JF Global Securities Tst	$24.78	26.21	-	45334
JF International Bond	$10.21	10.59	-	58580
JF Managed Currency Fd	$15.24	16.14	-	47031
JF Masterfund				
JF Asia Growth Pfolio	$8.11	8.59	-	48053
JF Intl Growth Pfolio	$10.80	11.43	-	48052
JF Money Fund - US$	$107.33	107.33	5.02	46152
JF Money Fund - Yen	Y10028	10028	0.01	46155
JF Money Fund - DM	DM103.95	103.95	2.80	46154
JF Money Fund - £	£107.92	107.92	5.80	46153
JF Money Fund - SFr	SFr101.89	101.89	1.24	43204
JF Money Fund - C$	C$103.67	103.67	2.49	43049
JF Money Fund - A$	A$108.31	108.31	6.45	43041
JF Money Fund - HK$	HK$107.86	107.86	5.10	46158
JF Capital Guaranteed Master Series				
Hong Kong Index Sub Fund	$10.44		-	48158
Tokyo Index Sub Fund	$9.18	10.06	-	49144
New York Index Sub Fund	$9.83		-	49145
DEM Bull Sub Fund	$9.80		-	48150
DEM Bear Sub Fund	$11.71		-	48153
Yen Bull Sub Fund	$8.80	9.32	-	48146
Yen Bear Sub Fund	$12.38		-	48147
USD Account	$108.67	112.85	5.02	48797
Limited Issue Funds*				
JF Far Eastern Wrnts Tst	$8.01	8.46	-	40865
JF Guaranteed Currency Tst II	$11.97		-	49867
JF Japan Capital Guaranteed Tst	$72.02		-	58545
JF Japan Capital Guarantee Tst II	£14.20		-	58505
JF Japan Capital Guarantee Tst III	$13.58		-	58546
JF Asia-Pacific Cap Gtd Tst	$9.10		-	-
JF Asia-Pacific Cap Gtd Tst II	£9.33		-	-
JF Japan Ninja Leveraged	Y663	692	-	46709
JF Japan Warrant Tst	$2.58	2.74	-	47018
JF Thailand Guaranteed	$9.67		-	-
Only available during special offer periods*				
Prices as at March 20				
Jupiter Asset Management (Asia) Ltd				
Hong Kong Investment Co Ltd	$0.94		-	-
Jupiter Tyndall (Bermuda) Ltd				
Jupiter Tyndall Specialist Fund Ltd				
Brazil Class	$1.40	1.48	-	55752
New Smaller Companies Class	$0.82	0.87	-	55410
Mexico Class	$1.30	1.36	-	55753
Kenmar Global Investments Limited				
Aurora Select Strategy Feb 28	$38.010		-	47132
Aquila Growth Feb 28	$27.327		-	55360
Columbia Growth Feb 28	$34.803		-	55361
Cygnus Multi-Strategy Feb 28	$39.809		-	55362
Dolphinus Multi-Strategy Feb 28	$30.793		-	55363
Taurus Select Strategy Feb 28	$34.143		-	47124
Key Asset Management Inc				
Key Hedge Mar 14	$208.80		-	52768
Key Global Hedge Mar 14	$316.01		-	52765
Key Asia Mar 14	$115.53		-	55411
Key Emerging Value Mar 14	$183.35		-	49713
Key Longwood Mar 14	$125.76		-	47420
Ki Asia Pacific Fund Ltd				
Ki Asia Pacific	$12.22	12.42	-	51880
Kingsgate Global Fund Ltd				
Class A NAV Feb 28	$141.89		-	54121
Class B NAV (Estimated)	$134.57		-	58367
Class DM NAV (Estimated)	DM117.80		-	47351
Kingdon Offshore N.V.				
Kingdon Offshore - Cl A Mar 14	$28.78		-	54122
Kingdon Offshore - Cl B Mar 14	$27.80		-	49444
Korea Intl Investment Fund				
NAV Mar 17	$148.27		-	50322
Korea Intl Investment Fund Ltd (II)				
NAV Mar 17	$58.30		-	55412
Korea International Investment Fund Ltd (III)				
NAV Mar 17	$78.22		-	58427
Korea International Investment Fund Ltd (IV)				
NAV Mar 17	$80.71		-	47401
Korea International Investment Fund Ltd (V)				
NAV Mar 17	$98.06		-	47520
Korea Investment Trust Co Ltd				
Korea Intl Trust NAV	$36.42		-	49702
Seoul Intl Trust NAV	$34.66		-	49703
Korea Eqty Trust NAV	$7.65		-	49704
Korea Pacific Trust NAV	$11.28		-	49705
Greater Korea Trust	$11.82		-	49706
For LGT see GT Global				
LIM Asia Special Fund Inc				

	Selling Price	Buying Price	Yield Gross	City-Line
Lippo Asia Ltd				
Asia Fd (Cayman) Ltd NAV	$8.81		-	44314
Indonesian Growth	$40.37		-	51893
IDR Money Market	$18.54		-	51894
Littlestone Associates, Inc				
Dynamic Absolute Strategies	DM158.58		-	-
Dynamic Leveraged Strategies	DM138.51		-	-
Lloyd George Management				
LG Antenna Fd Ltd Mar 14	$20.37		-	50327
LG Asia Smaller Cos Mar 20	$21.2779		-	50328
LGSC China Fd Mar 14	HK$10.82		-	50329
LG India Mar 20	$8.61		-	50330
LG Japan (z)	$8.37		0.00	34715
LG Korea	$5.83		0.00	34716
Shanghai Inv Co Plc	$10.00		-	-
Lloyds Bank				
Banking Performance	$919.3	951.6	-	58415
Lloyds Bank Government Bonds				
Lloyds Bank International (Bahamas) Ltd				
Selected Moderate Bln.	$11.67	11.93	-	53231
M&T Unit Trust Managers Limited				
M&T World Growth	$23.18	24.35	-	47433
MC Bohemia Investment Company SA				
NAV Mar 14	SFr122.71		-	48804
Fully Diluted NAV Mar 14	SFr118.63		-	48808
MCT Eastern Europe Ltd				
NAV Mar 14	$1318.64		-	-
MCT International Limited				
MD Sass Re/Enterprise International Ltd				
Cla 4A Shares NAV Jan 31	$1858.74		-	53414
MFS Meridian Funds				
Charter Income	$10.11xd		-	45804
Global Equity	$18.01		-	47453
Global Government	$10.28		-	47451
World Growth	$12.79		-	48455
Money Market	$1.00		4.4153	47448
Limited Maturity	$10.81xd		-	47452
US Emerging Gwth	$22.28		-	47777
US Equity	$13.94		-	50331
US Govt Bond	$10.03		-	47450
World Total Return	$11.45		-	54143
Research	$11.28		-	48459
McGinnis Global Fund Ltd				
NAV Feb 28	$2918.50		-	54223
Magnum Funds				
Magnum Agg Gwth Feb 28	$155.33	158.12	-	54150
Magnum Capital Growth	$180.73		-	47843
Magnum Edge	$118.59		-	-
Magnum Fund Feb 28	$143.38	144.21	-	54147
Magnum Global Equity	$123.77		-	-
Magnum Micro	$105.51		-	-
Magnum Multi Feb 28	$135.74	137.43	-	54146
Magnum Opportunity	$174.26		-	-
Magnum Futures Feb 28	$163.93	165.57	-	58735
Magnum Russia Equity	$147.06		-	-
Magnum Special Situations	$114.19		-	47846
Magnum Tech	$103.46		-	-
Magnum Tudor Growth	$141.78		-	-
Magnum US Equity Feb 28	$158.75		-	47863
European Focus Dollar Ltd	$141.98		-	-
Galleon Omni Ser A	$216.69		-	47656
Galleon Omni Ser B	$190.26		-	47738
Lancer Voyager	$145.41		-	-
Metal Omni Ser B	$126.73		-	47385
Rosebud Capital Growth	$168.31		-	47186
WP Select	$108.93		-	-
Magna Asset Management				

	Selling Price	Buying Price	Yield Gross	City-Line
Lloyds Bank Fund Managers (Guernsey) Ltd				
NAV Feb 28	$11.72		-	48732
MeesPierson				
Tokyo Pac Hldgs NV	$92.39		-	45596
Leveraged Cap Hldgs NV	$86.37		-	45398
Asian Selection	DM124.45		-	48791
OP Am Gth Fd NV	$55.92		-	45601
Europe Gth Fd NV	DM83.38		-	45602
OBAM NV	DM132.72		-	48469
Merrill Lynch Asset Management				
Prime Rate Portfolio	$10.00		-	47839
Dollar Assets Portfolio				
Current Shares	$1.00		-	48844
Institutional I Shares	$1.00		-	48114
Institutional II Shares	$1.00		-	48121
Merrill Lynch Americas Income Dollar				
Class A	$11.61		-	53236
Class B	$11.61		-	53237
Class C	$11.60		-	53238
Merrill Lynch Emerging Markets				
Class A	$11.25		1.92	54180
Class B	$11.17		-	54181
Merrill Lynch Short-Term World Income				
Class A	$7.84		-	47558
Class B	$7.84		-	47556
Merrill Lynch Mexican Income Dollar				
Class A	$10.37		-	54182
Class B	$10.37		-	54183
Merrill Lynch Mexican Income Peso				
Class A	$3.12		-	54184
Class B	$3.12		-	54185
Merrill Lynch Debt Strategies Portfolio				
Class A	$10.07		-	-
Class B	$10.07		-	-
Class P				
Merrill Lynch Guernsey				
Intercontinental Cap NAV Mar 14	$15.18		-	47839
For Information Only				
Millennium Asset Management				
Swiss Franc Global Currency	SFr1131.24		-	58371
US$ Global Currency Leveraged	$1314.65		-	-
US$ Global Currency Unleveraged	$1188.58		-	55416
SW Quant Leveraged	SFr1294.38		-	48551
SW Quant Unleveraged	SFr1114.54		-	49553
Minimark International Ltd				
NAV Mar 20	$143.98		-	50394
Momentum Asset Mgmt				
Mom All Weather	$127.53	127.53	-	-
Mom Arbitrage Feb 28	$221.31	221.31	-	58807
Mom Dollarmaster	$110.91	110.91	-	48842
Mom Emerald	$108.01	108.01	-	48844
Mom Leveraged Feb 28	$109.91	109.91	-	48634
Mom Macromaster Feb 28	$148.31	148.31	-	48637
Navellier Perf Mar 19	$103.40		-	58874
Mom Pioneer Gwth Futures Feb 28	$175.47	175.47	-	48843
Mom Price & Partners Feb 28	$136.07	136.07	-	48938
Mom Rainbow Feb 28	$186.83	186.83	-	50339
Mom Sandalwood Feb 28	$124.90	124.90	-	58826
Mom Stockmaster Feb 28	$230.94	230.94	-	54165
Mom Telecom Progress Feb 28	$157.41	157.41	-	48838
Mom US Enterprise	$103.12	103.12	-	48845
Mom US Master Feb 28	$138.41	138.41	-	55809
Mom Universal Hedge Feb 28	$156.94	156.94	-	55810
Mom Valuemaster Feb 28	$157.92	157.92	-	55811
Mom RXR Fd (Roll-up) Jan 31	$63.05		-	45741
Monaco Asset Management				
Monaco Diversified Ltd NAV Mar 7	$9.304		-	47767
Montgomery Emerg Communications Fd Ltd				
NAV Mar 14	$12.66		-	55757
Montgomery Emerging Markets Fund Ltd				
NAV Mar 14	$1585.14		-	50387
Montpellier Asset Management Ltd				
New Europe Feb 28	$11.54	11.66	-	49695
Moore Global Investment				
MGI (Series 1) Ecu Bonds	Ecu184.420		-	48745
MGI (Series 2) Ecu Bonds	Ecu162.840		-	48744
Morgan Stanley/BLL Global Allocation Fd Ltd				
Global Bond Feb 28	$1094.61		-	58424
Global Balanced Feb 28	$1165.66		-	58423
Global Equity Feb 28	$1311.11		-	58422
Morgan Stanley Emerging Markets Income				
NAV Mar 14	$25.87		-	50338
National Investment Trust Company Ltd				
The New Taipei Fund Ltd	$19.0821		-	47737
National Mutual Funds Management				
NM First Korean Fund plc	$5.78		-	48115
Pacific	$28.66	30.52	-	52875
Pacific Opportunities	$14.0878		-	-
Indonesian	$12.8650		-	-
Taiwan	$13.7330		-	-
Near East Opportunities Fund Limited				
Near East Opps Mar 10	$14.48		-	68376
Northfield International Ltd (Bahamas)				
Globe-X International				
A Shares NAV Jan 31	$160.0365		-	58364
AC Shares NAV Jan 31	C$128.2052		-	58365
North Atlantic Management Co Ltd				
Compass	$13.90	14.31	-	54168
North Star Fund Managers (Cayman) Ltd				
High Perf. Fund	DKr477	478	-	45570
Intl Bond Fund	DKr235	236	-	48571
Mixed Intl Fd	DKr245	248	-	48574
Concord Fd Ltd	DKr273	274	-	48660
High Income Fd	£15.8	16	-	46570
Dollar Growth Fd	$2	2.01	-	44529
Dollar Income Fd	$1.31	1.32	-	44530
Swedish High Performance	SKr153	155	-	52866
Bond & Mortgage Growth	DKr157	158	-	54169
Bond & Mortgage Income	DKr134	135	-	54170
North Star International Currency				
Intl Currency US Dollars	$20.3	20.4	-	44531
Intl Currency Pound Sterling	£23	23.1	-	50941
Intl Currency Deutschmark	DM209	209	-	44539
Intl Currency Japanese Yen	Y2199	2200	-	44543
Intl Currency Danish Kroner	DKr221	222	-	44561
Intl Currency Swiss Franc	SFr208	207	-	44563
Intl Currency French Franc	FFr215	218	-	44552
Intl Currency Swedish Kroner	SKr182	183	-	44554
Odey Asset Management Ltd				
Odey Euro Mar 19	DM200.62		-	49750
Odey Euro US$ Mar 19	$208.80		-	54173

	Selling Price	Buying Price	Yield Gross	City-Line
Optimax Fund Management				
Oribtex Management Ltd				
ORIENT Growth Fd				
NAV	$37.39		-	47693
Oriental Development Company Ltd				
NAV	$18.27		-	30080
Orion Capital Advisors Ltd				
Oryx Fund Ltd				
NAV Mar 18	$15.39		-	54221
Oryx (India) Fund Ltd				
NAV Mar 14	$6.37		-	-
Oryx International Growth Fund Ltd				
NAV (Fully Diluted) Jan 31	$1.20		-	56702
PFC Internat'l Portfolio Fd Mgt Ltd				
PFM Israel Growth Fund Ltd				
Israel Growth	$3.36	3.53	-	53230
PFPC International Ltd				
PRS International				
Pactual				
Pakistan Fund				
NAV Mar 20	$4.80		-	59046
Subscription Price	$4.98		-	38427
Repurchase Price	$4.48		-	58433
Panergy Limited				
Park Place Capital Limited				
*Estimated Weekly Net Asset Value				
Paulson International Ltd				
NAV Feb 28	$115.83		-	-
US Government A	$9.94		-	51936
US Government B	$9.91		-	51937
Global Government A	$9.90		-	51938
Global Government B	$9.95		-	51939
Diversified Income A	$9.62		-	51940
Diversified Income B	$9.59		-	51941
Global Growth Fund A	$13.01		-	51942
Global Growth Fund B	$12.73		-	51943
US Growth A	$14.77		-	54724
US Growth B	$14.49		-	54725
New Opportunities A	$9.00		-	-
New Opportunities B	$8.96		-	-
Growth And Income A	$11.19		-	-
Growth And Income B	$11.08		-	-
Money Market A	$1.00		-	-
Money Market B	$1.00		-	-
Quantum Group				
For RAM Management see Webster Management				
Real Estate Strategies Ltd				
IRES International Nov 5	C$1175.11		-	47870
Regent Fund Management Ltd				
Regent Fund Management (UK) Ltd				
Czech Value	$7.76		-	49690
Eastern Europe Value	$13.98		-	49689
International Hedge	$10.08		-	49088
Ukraine	$11.17		-	-
Regent Kingpin Chile Value Fund				
NAV Mar 14	$38.17		-	43877
Taxed NAV Mar 14	$38.17		-	49692
Rosenwald, Roditi & Co Ltd				
Russia Growth Fund Ltd				
NAV (OEC)	$1000.00		-	-
Russia Value Fund LP				
NAV	$1538.32		-	47105
Sabre Fortress Fund				
Commodity Recovery	$117.77		-	54729
Schroder Investment Management Limited				
Cap US Equity Mar 20	$8.76		5.8	45780
Schroder Investment Mngt (Hong Kong) Ltd				
Schroder Investment Mngt (Singapore) Ltd				
Global Enterprise	$1.00	1.04xd	-	49460
Schroder Japanese Warrant Fund				
Unadjusted NAV Mar 20	$0.31		-	48303
Scudder, Stevens & Clark Inc.				
Argentina NAV Mar 20	$14.81		-	48303
Brazil NAV Mar 20	$30.84		-	45316
First Iberian NAV Mar 20	$13.08		-	48224
Korea NAV Mar 20	$12.82		-	45322

	Selling Price	Buying Price	Yield Gross	City-Line
Swiss Fund Ltd				
Simon Robinson Investment Mngmt Ltd				
Smith Barney Funds				
Societe Generale Group				
Soditic Asset Management Inc				
Solmer Capital Inc				
The Southeast Asia Frontier Fund (SEAFF)				
Carl Spaengler KAG				
Sri Lanka Growth Fund				
State Street Banque SA				
Stephen Brook Partners				
Strauss Offshore Limited				
Swiss Finance Corporation				
Swiss Bank Corporation				
Pakistan	$4.24		-	55481
Sri Lanka	$3.00		-	54734
Thailand	$15.25		-	43045
Malaysia	$29.02		-	43046
Indonesia	$8.23		-	43049
Singapore	$24.95		-	45353
China	$15.73		-	45354
US$ Liquidity	$10.00		-	43355
Hong Kong	$81.30		-	45849
Korea	$4.00		-	54733
Japan	$11.58		-	45848
Philippines	$90.96		-	45855
Thornton Taiwan Fund				
Equity Growth	$21.54		-	41579
Titan Capital Management				
Titan Metals	$150.00	150.18	-	55485
FX Delta	$139.59	139.59	-	55848
Titan Forex	$118.10	118.11	-	55846
Currency Portfolio	$129.35	129.73	-	55851
Global Hedge	$113.03	113.16	-	55450
Select Portfolio	$112.82	112.89	-	47633
Euro-Financial	$125.34	125.35	-	55457
The Torrey Funds				
Development Offshore	$115.93		-	-
Global Offshore	$136.96		-	47106
Tradewinds Financial Corporation				
Tradewinds Emerging Debt	$158.10		-	47221
Trans Global Funds Group				
TGE Fund Managers Limited				
Trans Global Equities Plc	$121.17	124.92	-	55486
Trans Global Fixed Income Plc	$115.05	118.61	-	55487
Trans Global Invests Plc	$343.53	354.15	-	47724
Trans Global Partners LDC	$343.53	354.15	-	-
Trigone Capital Finance SA				
Magellan Emerging Mkts	$901.81	937.88	-	54748
Village Management	$1048.27		-	47817
UBS Private Investor Funds				
UBS Bond	$104.40		-	47228
UBS US Equity	$111.86		-	47229
UBS International	$102.14		-	47227
US$ Floating Rate Fund Ltd				
Class B	$2.07		8.73	48819
Class C	$2.07		9.98	48821
Ultra Cerberus Fund Ltd				
Fund Advisors Ltd Feb 28	$1749.17		-	52886
Ultra Futures Fund Ltd				
Fund Advisors Ltd Feb 28	$11459.68		-	58381
Ultra Hermes Fund				
Fund Advisors Ltd Feb 28	$1165.83		-	47028
Ultra Interest Plus Fund				
Fund Advisors Class A Feb 28	$1216.18		-	58398
Fund Advisors Class B Feb 28	$1148.29		-	58400
Ultra Westcliff Fund Ltd				
Fund Advisors Ltd Feb 28	$1613.31		-	58386
Unibanco-Uniao de Bancos Brasileiros S.A				
UAM Columbus Active	$1182.83		-	-
UAM Columbus Income	$1637.267		-	-
UAM Columbus Index	$1328.292		-	-
UAM Columbus Stocks	$1079.59		-	-
Unibanco Debt	$237.50		-	49449
Unifund Ltd Class A	$1476.005252		-	49442
Unifund Ltd Class B	$1456.595309		-	47259
Union CAL Ltd				
Halle Global Leverage Fund	$99.19		-	-
Value Partners Fund				
'A' Shares Mar 18	$23.31		-	51651
'B' Shares Mar 18	$11.31		-	47384
Vantage Investment Management Ltd				
Vantage Global Invest	$102.36	103.42	-	47835
The Vietnam Frontier Fund				
Frontier Fund Management Co				
NAV (Fully Paid) Feb 28	$14.00		-	55469
The Vietnam Fund Limited				
Lloyds Bank Fund Managers (Guernsey) Ltd				
NAV Fully Paid Feb 28	$11.427		-	44033
Webster Management Group				
Webster Global Fd	$123.68	126.76	-	47346
Westman & Leander-Engstrom Inv Mgmt Ltd				
The Russian Prosperity Fund				
A Shares	$21.03		-	-
B Shares	$19.16		-	-
Worldwide Limited				
NAV Feb 28	$61.46		-	48663
Xiphias International Investment Fd Ltd				
Xiphias Global Growth	$11.27		-	58480
Xiphias BE ECU Acc	Ecu1.8898		-	48033
Zanett Lombardier Ltd				
NAV Feb 28	$224.57		-	58388
Zuleof Investment Management AG				
European Focus Mar 14	DM156.685		-	49776
Zweig-DiMenna International Limited				
NAV Feb 28	$19890		-	47229

● MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales.

(**) Funds not SIB recognised. The regulatory authorities for these funds are:

- Bermuda - Bermuda Monetary Authority
- Guernsey - Financial Services Commission
- Ireland - Central Bank of Ireland/Irish Department of Enterprise and Employment
- Isle of Man - Financial Supervision Commission
- Jersey - Financial Services Department
- Luxembourg - Institut Monétaire Luxembourgeois

Initial charge - Charge made on sale of units.
Selling price - Bid or redemption price.
Buying price - Offer or issue price.
OEIC - Open Ended Investment Company.
Time - The time shown alongside the fund manager's name is the time of the fund's valuation point unless indicated by one of the following symbols:

(W) 0001 to 1100 hours
(X) 1101 to 1400 hours
(Y) 1401 to 1700 hours
(Z) 1701 to midnight
E Exit charge on sale of units.
C Manager's periodic charge deducted from capital.
H Historic pricing F - Forward pricing
b Distribution free of UK taxes.

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Mar 21 / Sch)

BELGIUM/LUXEMBOURG (Mar 21 / Frs.)

CZECH REP (Mar 21 / Koruna)

DENMARK (Mar 21 / Kr)

FINLAND (Mar 21 / Mka)

FRANCE (Mar 21 / Frs.)

GERMANY (Mar 21 / Dm.)

GREECE (Mar 21 / Drachma)

ITALY (Mar 21 / Lira)

NORWAY (Mar 21 / Kronor)

POLAND (Mar 21 / Zloty)

PORTUGAL (Mar 21 / Escudo)

SPAIN (Mar 21 / Pts.)

SWEDEN (Mar 21 / Kronor)

SWITZERLAND (Mar 21 / Frs.)

TURKEY (Mar 21 / Tk Lira)

PACIFIC

JAPAN (Mar 21 / Yen)

AUSTRALIA (Mar 21 / AusS)

HONG KONG (Mar 21 / H.K.$)

INDONESIA (Mar 21 / Rupiah)

MALAYSIA (Mar 21 / MYR)

NEW ZEALAND (Mar 21 / NZ $)

SINGAPORE (Mar 21 / S$)

SOUTH KOREA (Mar 21 / Won)

TAIWAN (Mar 21 / TW $)

THAILAND (Mar 21 / Baht)

AFRICA

SOUTH AFRICA (Mar 20 / Rand)

NORTH AMERICA

CANADA

TORONTO (Mar 21 / Can $)

4 pm close

MONTREAL (Mar 21 / Can $)

4 pm close

Prices supplied by Extel, part of FT information.

NOTES - Prices on this page are as quoted on the individual exchanges and are usually last traded prices. * Calendar year high and low. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex int. † Priced in US $.

$ FT Free Annual Reports Service
You can obtain the annual reports of any companies on this page with a ● bullet. For North American companies you can either ring +1 804 320 6097, or fax your request to +1 804 320 8125 or order online at http://www.ftdata.co.uk/ftars/. For companies from ALL other countries ring 0181 770 0770 or fax your request to 0181 770 3622 outside UK ring +44 181 770 0770 or fax your request to +44 181 770 3622.

INDICES

INDEX FUTURES

US INDICES

Dow Jones

RATIOS

NEW YORK ACTIVE STOCKS

TRADING ACTIVITY

S&P 500

Nikkei 225

TOKYO - MOST ACTIVE STOCKS: Friday, March 21, 1997

4 pm close March 21

NEW YORK STOCK EXCHANGE PRICES

1996/97 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
32	24¼	AAR	0.48	1.6	25	1464	29⅞	29½	29¾	+⅛
48⅛	33	AMP	1.04	2.9	27	6934	36⅞	36¼	36¼	-⅜
97½	68	AMR			6	3854	87¼	85⅝	85⅝	-¼
50½	33¼	ASA	1.20	3.4	23	180	35¼	34⅞	34⅞	-¼
60½	38⅛	AbbtL	1.08	1.9	23	13205	58⅞	57¾	57¾	-⅜
17½	12¼	Abitibi Pr x	0.40	2.6	7	182	15½	15⅛	15⅜	-⅛
20¾	13½	ABM Ind	0.40	2.1	17	224	19¼	19	19⅛	+⅛
23	13⅞	Acptocetn			9	139	19⅜	19	19	-⅛
68⅝	37¾	ACE Ltd	0.72	1.1	10	1084	64½	62⅝	63⅜	
10¾	9⅛	ACM Gvt In x	0.90	8.8	11	76	10⅜	10¼	10¼	
7⅞	6⅝	ACM GvOpp x	0.63	8.5		165	7⅜	7¼	7⅜	+⅛
9⅞	8⅜	ACM Man x	0.90	9.2		78	9¾	9¾	9¾	
13⅞	6⅛	Acme Elect				20	6⅝	6⅝	6⅝	-⅛
21⅝	13⅞	Acme Mills			67	62	15¾	15½	15⅝	
33¾	27¼	Acordia	0.80	2.4	15	188	32⅞	32¾	32⅞	+⅛
29¾	12	Acuson				1263	24⅞	24½	24½	-¼
21⅛	17⅞	Adams Expr	0.55	2.7	1	111	20¼	20	20⅛	
48½	10¼	AdvMic				13707	40⅞	38¾	39	-1⅛
15	8½	Advest Grp			9	84	13⅛	12⅞	12⅞	-⅜
26⅛	9⅛	Advo Inc			27	186	12⅛	11⅞	11⅞	-⅛
73⅝	41⅛	Aegon	1.18	1.7	20	262	70⅜	68¾	70⅜	+2¾
6¾	3½	Aerflx				180	3⅞	3⅝	3¾	
67⅝	40⅜	AES Corp				20	60⅜	60⅛	60⅜	-½
93⅛	57⅝	Aetna	0.80	0.9	64	4386	89	87⅝	88¼	+⅛
44	28¼	Aflac	0.40	1.0	15	1073	41⅛	40¾	41	-⅛
22	17⅛	AGL Res	1.08	5.6	14	564	19¼	19⅜	19⅜	-¼
45¼	21¼	Ahmnsn	0.88	2.2	42	3848	39⅞	39⅛	39⅛	-⅜
77⅝	50⅜	AirPrC	1.10	1.6	18	4673	71⅝	69⅞	70	-1½
29	19½	Airbrne Frt	0.30	1.0	22	550	u29¼	28½	29⅛	+½
27⅛	15½	Airgas			30	232	20⅝	20¼	20¼	-¼
18⅞	10	Airlease	1.60	15.5	6	325	12½	11⅝	11⅝	-1
33⅝	23⅛	AirTch			66	14325	24⅝	24¼	24½	
30¾	15⅞	Alaska Air			10	1936	27⅛	26¾	27	+⅛
24½	17¼	Albany Int x	0.42	2.0	13	435	21⅛	20⅞	21	
24⅛	14⅜	Albemarle x				847	19⅛	18¾	19	-½
30¼	16¼	AlbCulB	0.20	0.7	20	1495	27⅞	27⅝	27¾	-⅛
25⅞	14 13/16	AlbCulA	0.20	0.9	17	799	23¼	23	23⅛	
43¾	31½	Albtsn	0.64	1.8	17	7396	35¼	34⅝	34¾	-½

- B -

1996/97 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
53	34½	BCE x			25	1552	46⅝	45⅞	46½	+¼
8½	5½	Bairnco x	0.20	3.1	7	2100	6½	6½	6½	
20¼	16¼	Baker Fent	0.37	2.1		253	18	17⅞	17⅞	
40⅝	22¾	BakerH	0.46	1.2	29	4768	39¼	38⅞	39¼	+½
26⅝	18½	Baldor Elc x	0.44	1.8	19	474	25½	25⅛	25⅛	-⅜
32¼	23⅛	BallCp	0.60	2.2	78	682	28⅞	28½	28¾	+⅛
21¼	15	BltdMd	0.05	0.3	20	490	19¾	19⅝	19⅝	
29½	25	BaltGE x	1.60	6.0	14	2394	26⅞	26½	26¾	+¼
49¾	31¼	BncOne x	1.52	3.5	13	10685	43⅝	42⅞	43⅛	+⅛
61⅞	35¼	BancoBil V	1.06	1.8	19	101	58¾	58¼	58¼	-¼
13⅞	9¼	BCH	0.37	2.9	41	11	13⅛	13	13	-¼
14⅝	11⅛	BCP ADR	0.34	2.4	11	20	14¼	14¼	14¼	
46⅜	33⅛	BcrpHawaii	1.20	2.7	13	174	45	44¼	44⅜	
55⅞	44½	Bandag x	1.00	1.9	15	829	51¾	51⅛	51⅝	+¼
123¾	58¾	BankAm	2.44	2.2	15	15372	111½	110	110⅝	-⅜
42⅛	21¾	BankNY	0.96	2.5	15	12748	39¼	38⅝	38⅝	
24	14	BTM ADR	0.06	0.3		98	17⅜	17⅛	17¼	+⅛
51	45	BankAm A	3.25	6.6		12	49½	49½	49½	
95½	82¼	BankAm B	6.00	6.4		14	93½	92¾	93½	+½
79½	41½	Bkbstn	1.76	2.5	17	9344	72⅜	70½	71⅝	+½
87	75¾	BkbosD.50	5.44	6.3		6	86⅝	85¼	86¼	+¾
47¾	41½	BkbostnA	2.96	6.3		3	47⅛	47¼	47¼	-¼
98¾	61	BnkTst	4.00	4.5	13	2919	89¾	88⅛	89½	+¾
80½	42	Bclays x	2.12	3.2	12	21	66¼	66	66	-⅛
37⅜	25⅞	Bard (C R)	0.68	2.5	16	1428	27¼	26⅞	26⅞	-⅛
74⅜	35	Barnes Grp	1.80	2.4	16	140	74⅜	73⅞	74⅛	-⅛
50⅛	27¾	BarnBk x	1.08	2.2	17	7474	49¾	48⅝	49⅝	+⅞
32⅞	24⅝	BrckGd	0.14	0.5	43	14072	26⅛	25¾	25⅞	
16	10⅛	BarryRG			11	159	10¼	d10	10	-⅛
11⅝	6¾	BattlMt	0.05	0.7		6598	7	6¾	6¾	-⅛
44½	32½	Bausch x	1.04	2.7	25	1374	38⅞	37⅞	38⅛	-½
43⅞	15¾	BayNtwks				12691	16⅝	16¼	16¼	
30⅝	25⅛	Bay St Gas	1.54	6.1	13	167	25¾	d25⅛	25⅜	+⅛
40⅞	15¾	BBN				201	18⅜	18⅛	18⅛	+⅛
22¾	19⅜	Bd Tr 1636	1.56	7.9		19	19¾	19¾	19¾	
8⅞	7¼	BEA Inc	0.72	9.0		576	8	7⅞	8	
9½	8½	BeaStra	0.81	8.8		5	9¼	9¼	9¼	-⅛
34	17¼	BearSt	0.60	2.1	7	1312	28½	27⅝	28⅛	+⅝
36⅞	24	Bearings	0.64	1.9	17	172	34⅝	34½	34½	-⅜
44⅞	32	Beckman In	0.60	1.4	16	909	43⅛	42	42	-1⅜
51⅝	35½	BectnD x	0.52	1.1	21	3041	47⅞	47⅛	47⅛	-⅛

1996/97 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
21¼	12⅞	BdlrdProp	1.04	5.1	17	686	20½	20⅛	20⅛	
74⅞	55⅛	BellAtl	2.88	4.6	15	13387	63⅜	62¼	62⅞	+¼
24	15	Bell In			8	94	18⅜	18⅛	18¼	+⅛
47⅝	35¼	BellSth	1.44	3.3	15	13796	44½	43½	44⅛	+⅞
41¾	31	Belo A	0.44	1.2	17	758	37¼	37⅛	37¼	
43⅝	25⅝	Bemis	0.80	1.8	21	878	41⅜	41⅛	41¼	+⅛
67½	59	Benef 4.3P x	4.30	6.5		8	66¼	66	66¼	-¼
75¾	43⅝	Benef x	2.00	3.0	13	2775	66⅝	66	66⅞	-½
27¾	20¾	Benetton A	0.38	1.5	15	13	24¾	24½	24¾	
⅞	3/16	Benguet B			21	21	7/16	⅜	7/16	+1/16
33¼	24⅛	BergBr	0.48	1.5	16	17949	33⅛	31⅝	31⅝	-⅛
35000	23800	BerkHA			40	2	37400	37200	37400	+300
1252	890	BerkHB				30	1250	1236	1250	+17
15⅞	8¾	Berry Petr x	0.40	2.8	19	163	14⅜	14⅛	14¼	
26¼	7⅞	Best Buy			37	5076	12⅞	11⅛	11⅛	-1⅜
28⅛	24½	Beth St 2.5	2.50	9.6		19	26½	26⅛	26⅛	
54¾	48⅜	Bethlhm Pf	5.00	9.9		13	50⅝	50½	50⅝	
15⅞	7⅝	BethSt				2822	8½	8¼	8⅜	-⅛
67	40⅛	Btdm	1.50	2.3	30	619	64⅞	64¼	64¼	-¼
16⅛	9¼	BevEnt			28	1715	15	14¾	14⅞	
41⅛	26	BG ADR				31	26⅛	d25¾	25⅞	-¼
20⅞	15¼	Bindley W x	0.08	0.4	12	212	19	18⅝	18¾	+⅛
22	14½	Birmngm S	0.40	2.6		372	15¾	15⅝	15⅝	-⅛
44¼	28	BlDech x	0.48	1.4	20	4335	33⅞	33⅝	33¾	
29	22¾	Black H PL	1.42	5.2	13	136	27¾	27⅜	27½	+⅛
9⅛	8	BlckrckAdv x	0.63	7.2		60	8¾	8⅝	8⅝	
6⅝	5⅞	BlckrckInc x	0.56	8.7		635	u6⅝	6⅜	6½	+⅛
9⅛	8⅜	BlckrckTgt x	0.57	6.5		362	9	8⅞	8⅞	
42¼	23⅝	Block x	0.80	2.8		2018	30	29	29	-¾
43	25⅜	Blount A x	0.51	1.2	15	394	u43¼	42½	42½	-½
10¾	7½	Blue Chip	0.78	1.9		509	8½	8⅜	8⅜	-⅛
4¾	2⅜	Bluegreen				1153	3	2⅞	3	+⅛
35	19¾	BMC Ind x	0.08	0.2	22	1466	28⅞	28	28⅞	+⅜
114½	74⅞	Boeing	1.12	1.1	33	13395	106	105⅜	105⅞	+1
47¾	27⅜	BoiseC	0.60	1.9		1017	32¾	32¼	32⅜	-⅛
11⅞	4¼	Bombay Co				234	4½	4⅜	4⅜	
15⅞	8⅛	Bords Chm	0.40	3.7		1113	10¾	10⅛	10¾	+⅝
25⅛	20⅛	Bostn Celt	1.50	6.3	12	17	23⅝	23¼	23⅝	+¼
71½	37¾	BosSci			70	4986	65½	64⅞	65¼	+1½

1996/97 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
34¼	14⅝	Crawfd	0.66	3.0	17	108	22¼	22	22	-½
39¾	26 9/16	CrstFn	1.08	3.0	18	1142	36⅞	36	36	-¾
18⅛	8⅞	CrtBlkB x	1.40	8.8	15	1699	16⅜	15⅞	16	-¼
4	1⅝	CRT Liq Re x	0.04	2.1	3	173	1⅞	1⅞	1⅞	-⅛
23¾	19⅛	CromptonK				1441	21⅜	20¼	21	-⅛
69¾	40⅝	CrownCk	1.00	1.9	24	2520	53¾	53	53⅜	-⅜
27½	18¼	CUCInt			45	13852	25	24½	24⅞	-⅛
95¼	43¾	Cullen			51	436	94	90⅜	93¼	+2⅞
54⅞	34½	CumminEn	1.00	1.9	73	1101	53⅞	52¾	53⅜	-¼
12	10¾	Current In	0.80	7.3	12	14	11⅛	11	11	-⅛
58⅜	49½	CrtsWr	1.00	1.9	16	10	53⅜	53⅜	53⅜	
14	10⅞	CV Relt x	1.16	9.1	10	48	12¾	12⅝	12¾	
47⅞	21¼	CVS	0.44	1.0	21	6561	46	45½	45⅞	+⅛
16½	9⅛	CypSm			20	5102	12¾	12½	12¾	
29⅛	19⅞	CypAmx	0.80	3.3	38	3289	24½	24	24	-¼
42¼	20¼	Cytec			19	2852	40¾	39¾	40	

- D -

1996/97 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
29½	21⅝	DPL Hld	1.38	5.7	13	281	24	23⅞	23⅞	-⅛
27¾	17	Dallas Sem	0.14	0.5	18	394	26	25⅞	26	
35½	27⅛	Dana	1.00	3.1	10	1459	32¼	32	32⅛	
50	29½	Danaher Co x	0.10	0.2	29	183	44¼	43⅝	43⅝	-¼
18⅝	11½	Danlndp x	0.18	1.4		513	12⅝	12½	12½	-¼
14	6¾	Darden	0.08	1.0	18	12579	8⅛	7⅞	8	
20¾	9	DataGn			22	1868	18½	18⅛	18⅛	-⅛
1⅞	⅞	Datapont			0	108	13/16	13/16	13/16	
44⅝	23	DaytnH	0.64	1.5	20	8005	42¾	42⅜	42⅝	-⅛
2⅞	13/16	DDL El				211	1¼	1⅛	1¼	
31¾	6⅝	DeRigoADR			5	814	7½	6⅞	6⅞	-⅝
34⅜	21¾	Dean Foods	0.78	2.2	24	1598	34¼	33⅞	34	+¼
44	22⅞	DeanWD x	0.56	1.4	13	7976	38¾	38⅛	38⅝	+⅞
8¾	8	DeanWDr x	0.60	7.3		330	8¼	8⅛	8⅛	+⅛
47½	33	Deere	0.80	1.8	14	6782	45½	44¾	44⅞	-½
23⅝	18¾	DelmPL	1.54	8.2	10	1025	19⅛	d18¾	18¾	-⅛
87¾	66¾	DltaAr	0.20	0.2	46	5093	85⅞	83	83⅝	-¼
8	4½	Delta Wdsd				114	6½	6¼	6½	+¼

1996/97 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
46¾	32	GenSig	1.02	2.6	14	2715	40⅛	40	40	+⅛
57½	51⅛	Genentech			38	1974	u57¾	57⅝	57⅞	
34⅛	18¾	Genesi				9776	23⅛	22⅞	23	+⅛
11¼	3⅞	Geneco			14	289	9⅛	9¼	9⅛	+⅛
6¼	2	Geneva St				338	2⅜	2¼	2¼	
21¾	8⅞	Genrad Inc			12	1332	14½	13⅞	14⅜	+⅞
48¼	40	GenuPt x	1.44	3.0	17	2100	47⅞	47⅜	47⅞	
39½	25¾	Grgia Gf x	0.32	1.2	13	453	26¾	d25⅞	25⅝	-⅛
81	63	GeorgP	2.00	2.6	42	1195	78½	75⅝	76	-⅞
17¾	13	Gerber Sci	0.32	2.0	23	235	15¾	15⅝	15⅝	
13⅞	11	Germany Fd	0.47	3.7		475	13	12⅞	12⅞	
21½	12¾	Getty Petr	0.12	0.6	26	90	20⅝	20¼	20¼	-¼
10⅞	7⅛	Giant Grp			2	11	7⅞	7¾	7⅞	+⅛
18¾	10⅞	Giant Inds	0.20	1.5	8	25	13¾	13⅝	13⅝	
86⅛	48¾	Gillte	0.72	0.9	45	13281	80⅛	78½	78⅝	-⅛
8⅝	6¼	GlmsGM x	0.13	1.3	52	573	8	7⅞	7⅞	
37⅞	23¾	GlaxoW x	0.98	2.9	17	40784	34⅞	34¼	34⅜	+⅛
43	28¼	Gleason Co	0.56	1.5	9	84	33⅞	33¾	33¾	-¼
25	16	Glob Ind			14	298	18¾	18⅛	18⅜	-⅛
25¾	7⅞	Global Mar			28	3006	21¾	21⅛	21¾	+⅛
76	49	GlbalFn	0.44	0.6	10	1800	69¾	68¾	69¼	+1
45⅞	33¾	Gdrch x	1.10	2.8	19	902	39½	39	39¼	+⅛
55⅞	41½	Gdyear	1.12	2.1		3022	54½	54	54½	+⅛
7⅞	4¾	Gottschalk			31	8	5⅞	5¾	5⅞	
38	30¼	GPU	1.94	5.6	13	2829	34⅞	34⅜	34⅝	-⅛
58½	37¾	GraceW	0.50	0.9	22	2823	53¾	52⅞	52⅞	-⅜
82½	62⅞	GrngrW	1.00	1.3	19	1510	77	75	77	+1⅞
35¾	10	GtCamos				2505	10⅝	10⅜	10⅜	-⅜
32½	25¾	G Atl x	1.08	3.4		1311	32¼	31⅞	32	
36¾	19½	GtAtPT	0.40	1.5	13	1014	27⅞	26¾	26⅞	-½
78⅝	41⅝	Gt Lakes C	0.60	1.3	11	2906	46⅞	44½	44½	-2⅜
59½	44	Gt Nth Iro	6.60	10.6	9	26	57⅝	55⅞	55⅞	-1¼
45⅝	21⅛	GtWFn	1.00	2.3	64	6627	44⅝	44⅛	44¼	
29⅛	22¾	Green Mt P x	2.12	9.3	10	122	23	d22⅝	22⅞	
42½	23	GrnTree x	0.30	0.8	16	6867	37⅝	36¼	37⅜	+1⅜
64½	26⅝	GrupoFin	1.00	1.8	18	1486	55⅜	54⅞	55	-⅜
14¾	7¼	Grifon			14	622	14	13⅞	13⅞	-⅛
13⅝	10⅝	Growth Spa	0.17	1.4		273	12⅞	12⅛	12⅛	+¼
9¾	3¼	GrTmbADR				1803	6¾	6½	6⅝	-⅛

- L -

1996/97 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
3⅞	1⅝	LA Gear				32	1⅞	1¾	1¾	
25¾	20½	LG & E En	1.15	4.8	13	304	25½	24⅞	24⅞	-¼
38⅝	17¼	LSI Lgc			30	8720	34½	33½	33⅝	-⅞
24	15¾	La Quinta x	0.07	0.3	28	2824	22¼	21⅛	21¼	-1
38⅞	26⅞	LaZBoy	0.84	2.3	15	145	u38⅞	38¼	38¼	-⅛
24⅞	20	Laclede Gs x	1.30	5.9	11	119	22	21⅞	21⅞	
24½	18⅛	Lafarge	0.40	1.7	11	910	23½	23	23¼	+¼
13⅞	8½	Lamson & S	0.05	0.6	7	33	8⅛	8	8⅛	
30¼	12½	Lands End	0.20	0.7	24	326	27⅞	27¼	27⅞	+⅛
13	10⅛	Lawtr Int	0.40	3.4	18	668	11⅝	11½	11⅝	+⅛
38⅞	25¼	Lear Corp			14	1894	35¾	35	35⅛	-½
29	21	Leucomi	0.72	3.3	12	145	22⅜	21⅞	21⅞	-½
25⅛	19	Lee Enterp x	0.52	2.1	20	443	25¼	24⅞	25⅛	+⅛
51⅛	28½	Legg Mason x	0.52	1.2	14	337	43½	45	45⅛	+⅛
37⅞	28⅝	LeggPl	0.52	1.5	21	560	36⅛	35½	35¾	+½
37	20⅝	Lehman	0.24	0.8	9	2348	31	30½	30⅝	+⅛
27¾	21⅝	Lennar Cp	0.10	0.4	10	759	25¾	25	25	+¼
5½	2¼	Librtatw			57	3	4	4	4	+⅛
12⅛	9½	Liberty AS x	0.32	2.8		1459	11⅝	11½	11½	
43⅜	30⅛	Liberty Cp x	0.74	1.7	14	186	43⅛	43⅛	43⅛	+⅛
93	48⅛	Lilly	1.44	1.7	30	10082	87⅛	86	86	+1
20	12⅞	Lillyind x	0.32	1.7	23	168	19½	19⅜	19⅝	
22½	15¾	Limitd	0.48	2.5	17	8180	19⅛	19	19⅛	-¼
61⅞	40¾	LncolN	1.96	3.4	11	6407	57⅝	56⅞	57⅛	-⅜
20⅛	16⅛	Lncn NFd	2.72	15.1		54	18	17½	18	+⅛
71½	55½	Longd. Pfd x	5.00	7.4		10	68	68	68	
51½	40⅛	Litton			12	1022	40¾	40⅛	40½	+⅛
45½	28¾	LizCb	0.45	1.0	20	3134	46⅞	44⅞	44⅞	
5⅛	3⅜	LLE Rty	0.60	18.4	13	120	5	4⅞	4⅞	-⅛
96⅞	73	LockM x	1.60	1.9	12	5308	83	82½	82¾	+¼
43	16⅜	Loewen Gp	0.16	0.5	35	158	33⅛	33	33	
112⅞	72½	Loews	1.00	1.1	7	5556	98½	93⅛	93⅝	-5⅛
43⅞	25¾	Logicon x	0.24	0.7	18	203	36	35½	35½	-⅛
24½	15⅞	LgIsLt x	1.78	7.4	10	7838	24¼	24	24	-⅛
27½	18 13/16	LngDr x	0.56	2.3	16	580	25	24⅞	24⅞	
19¼	14⅛	Longview F x	0.64	4.2	19	641	15½	15¼	15¼	-¼

- S -

1996/97 High	Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
30½	11⅞	SAtlantic x	0.80	2.8		144	28⅝	28¼	28½	
71¼	51¼	SPS Te			19	580	69½	68	68⅝	+¾
13⅞	6	Sabine Rlt x	1.95	15.1	72	29	12⅞	12¾	12⅞	+⅛
47½	18⅞	Safeg'd Sc			31	3687	19⅜	18⅞	19	+1
18½	13⅜	SftyKl x	0.36	2.4	14	908	15⅝	15⅛	15⅛	
52	28⅞	Safewy			25	4692	49⅞	48¾	49¾	+1⅛
93	53⅜	StJoeCorp x	0.20	0.3	35	102	78¼	76¼	78	+1½
17¾	14	StJoeLP	0.98	6.5	11	32	15⅞	15⅛	15⅛	-⅛
72⅝	50⅛	StPaul	1.88	2.7	16	2198	69⅝	68	69⅝	+1⅞
41⅛	25½	Saks Hldg			55	2077	34⅞	34¼	34¼	
6¾	2⅞	Salant Crp				35	4⅝	4¼	4⅝	+⅛
114¼	63⅞	Sallie Mae	1.76	1.7	14	1305	103½	102⅛	102⅞	+¼

Continued on next page

4 pm close March 21

NYSE PRICES

Continued from previous page

1996/97 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chg Prev. Close
20⅜	12	SciAtl♣	0.06	0.4	62	2512	17⅛	16¾	17	+⅜
29⅜	17	Scotman	0.10	0.4	15	73	28⅞	28½	28½	-⅛
18¼	12½	ScudderNAF x	0.03	0.2		392	13⅛	12⅞	12⅞	-⅜
15⅜	11	ScudderNEuF	0.06	0.4		381	14⅞	14½	14⅝	
20¾	14¾	SeaCntA♣	0.77	4.8	13	254	17	16¾	16¾	
16⅜	15	SeaC1.4625	1.46	9.4		10	15⅝	15⅝	15⅝	+¼
58¼	19	Sgate			38	10872	43½	42½	43⅛	+⅞
42¾	30⅞	Seagrm	0.66	1.7		3821	39⅛	38¼	39⅛	+⅜
26	17⅛	Sangat En			31	869	18¾	18½	18½	-¼
44⅛	26	Sealed Air			20	673	43⅛	42	43	+1⅛
58¾	38¼	SearsR x	0.92	1.7	17	14259	53⅞	52¼	53¾	+1⅝
25	17	ScCpSBI♣	1.30	5.4	16	193	24⅜	24¼	24¼	-⅛
13	11⅞	Seligm Sel x	0.84	6.7		92	12⅝	12½	12⅝	+⅛
23¾	13⅝	Sensormat	0.22	1.3		775	16⅞	16⅜	16⅜	-¼
48⅞	29½	SequaA	0.60	1.3	47	78	46	45⅝	45½	
53⅝	39	SequaB	0.50	1.1	50	z0	47½	47½	47½	
33⅞	19½	ServCp	0.30	0.9	29	5365	32⅝	31¾	32⅛	
26⅞	19½	Svlistr	0.68	2.6	15	446	26⅝	26⅜	26⅜	+⅛
8½	3⅜	ServMerch			6	2072	3⅝	3½	3½	+⅛
80⅞	29½	SGSThm			15	1947	70¼	69¼	69⅜	-⅞
15⅝	10⅝	Shaw Ind	0.30	2.2	76	788	13¾	13⅝	13⅝	-⅛
17	10⅛	Shelby Wil	0.32	2.3	14	21	14⅜	14⅛	14⅛	-⅜
107½	76⅝	ShellTr	4.64	4.5	22	508	104¼	103½	103½	+1
59¼	39	SherWill♣	0.80	1.5	20	2325	55¾	54	55⅛	
13⅜	4¾	Shoneys			18	3898	5	d4¾	4¾	-¼
35½	17	Showboat	0.10	0.5	34	347	19¾	19½	19¾	
29¾	22¾	Sierra Pac	1.24	4.3	13	226	29¼	29	29	-⅛
8	2	SignalApp				z0	2⅝	2⅝	2⅝	
32⅞	20	Signet Bnk	0.84	2.8	14	1223	30½	30¼	30⅜	
59⅞	17⅞	SiliconGr				17078	20⅞	20	20⅛	-⅛
32¼	24¼	SimpnDsh	1.97	6.2	31	884	32	31⅝	31¾	-¼
10⅝	7⅞	Sizeler	0.88	8.7	37	941	10¼	10⅛	10⅛	
4¼	2	Sizzler				51	2⅜	2¼	2¼	-⅛
29½	19¾	Skyline x	0.60	2.6	11	214	23¼	23	23	
11⅜	6⅝	SL Inds	0.06	0.9	11	26	7	7	7	
49½	19⅞	Smithln			29	1985	48¼	47⅝	48	+¼
77⅜	48⅝	SKBchm x	1.94	2.7	24	7864	72⅜	71	71⅜	-⅝
35⅝	21½	Smithn Fd				127	34⅞	34¼	34¾	-⅛
22½	18⅛	SmuckerJ	0.52	2.8	19	246	18½	17¾	18¼	+⅛
42⅝	27¼	SnpOnT	0.80	2.0	18	2297	41	40⅝	40⅝	+¼

1996/97 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chg Prev. Close
21⅞	16⅞	TempltEmMk	0.21	1.0		413	21¼	20⅞	21	+⅝
29⅝	18⅛	TenetHlth			13	10672	27⅛	26	26½	-⅞
49¼	38	Tenneco	1.20	3.0	30	4959	39⅞	39	39⅞	+¼
44	34⅞	Teppco Pts	3.00	7.0	11	116	43⅜	42⅞	43	-⅛
32⅞	11⅛	Teradyne			26	4273	29¼	28⅝	28⅝	-⅛
12½	4⅛	Terex				316	12	11½	11⅞	+¼
15	11	Terra♣	0.16	1.1	8	120	14⅛	14	14	-⅛
15½	8	Tesoro			4	468	11⅞	11½	11¾	+⅜
109¾	75½	Texaco	3.40	3.3	13	8016	102½	100¾	102¼	+1¼
34⅝	24⅛	Texas Ind	0.30	1.1	7	693	27⅝	27⅜	27¾	+⅛
87¼	40½	TxInst	0.68	0.9		14823	78⅛	76⅝	77¾	+⅞
32½	24¾	Texas Pac	0.40	1.4	20	57	29½	29¼	29¼	-¼
49¾	34¾	TxUtl x	2.10	6.1	10	7245	35	d34¼	34⅝	-⅜
4¾	2¼	Textl Inds				193	4⅝	4¼	4½	-⅛
104	69⅛	Textrn x	2.00	2.0	18	1721	102¾	101½	101⅞	-¾
5½	2¾	Thackeray			30	50	3	3	3	
17	8¾	Thai Cap				147	9	8⅞	8⅞	
27⅞	15¼	Thai Fund	0.21	1.3		159	16⅜	16⅛	16⅛	-¼
44⅝	29¾	ThrmoElec			25	3873	34⅜	33⅞	34¼	
60⅞	32⅞	Thiokl	0.68	1.2	17	461	57¼	56¼	56¾	-¼
48⅛	33¼	ThBett x	1.12	2.6	18	1437	43⅝	42⅞	43	+⅛
26	16¾	Thomas Ind x	0.40	1.6	15	61	24⅞	24⅝	24⅝	+⅛
25⅞	17⅛	360Com			34	7988	18	17⅜	17⅜	-⅛

- T -

1996/97 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Chg Prev. Close
52½	29⅜	Tidwtr	0.60	1.3	25	4031	48⅛	46½	46½	+⅛
42¼	24¾	Tiffany x	0.20	0.5	25	2954	u42⅝	41¾	42⅝	+⅝
38	26	TIG Hldgs	0.60	1.8	13	584	34¼	33¾	34	+¼
45¼	29¾	TmWarn	0.36	0.8		18257	44⅜	43¼	43⅞	-⅝
58⅝	30⅝	TmMirA	0.40	0.7	37	2147	58⅝	57⅞	58¼	+¾
55¾	36½	Timken♣	1.32	2.5	12	678	54	53⅝	53¾	+¼
7¾	2⅜	TitanCrp				589	3⅜	3¼	3¼	
12¾	8⅞	Titan Pf	1.00	9.4		z0	10⅝	10⅝	10⅝	
7¾	5½	Todd Shp				308	5¾	5⅝	5¾	
10¾	6⅝	Tokheim Co	0.56	6.6	23	73	9	8½	8½	-½
23½	14⅝	Toll Bros			11	471	19⅞	19⅝	19¾	
61⅛	32⅝	TootRr			25	831	55½	54⅝	54¾	
45⅛	33⅞	Toolsie Rl x	0.29	0.6	22	322	u45¾	45⅛	45½	+⅞
61⅞	40¼	Tchmrk	1.16	2.0	13	2855	59⅛	58¼	58½	+⅛
36⅝	30	Toro Corp	0.48	1.4	17	448	34⅛	34	34⅛	+⅛

Price data supplied by Extel, part of FT Information.

Yearly highs and lows for NYSE reflect the period from Jan 1 1996. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

d-new yearly low. P/E price-earnings ratio. sls-sales. u-new yearly high. x-ex-dividend or ex-rights. yld-yield. z-sales in full.
Dealings suspended.

♣ FT Free Annual Reports Service

You can obtain the current annual reports and if available quarterly reports of any companies on the US exchanges with a ♣ symbol. To order reports ring (International Access) 1-804-320-8097 or give the names of the companies whose reports you want and fax your request to (International Access) 1-804-320-8135. Reports will be sent the next working day, subject to availability. You can also order online at http://www.icbinc.com/cgi-bin/fti.

AMEX PRICES

4 pm close March 21

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Brascan A	1.04	27	16	22⅞	22⅞	22⅞	+⅛
Cambrex	0.20	14	320	35	34¼	34⅞	-¼
CnFdCaA♣	0.01		30	4 7/16	4½	4½	-1/16
Cominco♣		20	52	29⅛	28⅞	28⅞	-¼
CrapTchr			50	10¼	9¾	10¼	+¼
Computrac			10	1¾	1¾	1¾	
Conod RoA		17	21	6⅝	6⅝	6⅝	
Garan	0.80	13	117	18⅝	18⅜	18⅜	-⅛
GetchellG			706	48	47	47⅞	+⅝
Giant FdA	0.76	16	603	32⅜	32⅛	32⅛	-¼
Glatfltr	0.70	11	710	16¾	16⅜	16½	
Goldfield			323	9/16	d½	9/16	+1/16
HanDir			474	11/16	⅝	11/16	
Media A	0.52	11	216	30½	30¼	30½	-⅛
Micromedia			1862	9½	9	9 7/16	
MltwLd			4	7¾	7½	7½	-¼
Moog A		14	54	23⅝	23¼	23¼	-¼
MSR Expl			z0	⅞	⅞	⅞	
NatPatDev		4	116	7⅜	7¼	7 5/16	-1/16
NY TimA x	0.60	24	4453	u47⅞	47⅜	47½	
NVR		8	195	15⅛	15⅛	15⅛	
Pegasus G		82	2779	8⅜	8¼	8¼	-1/16
Perini		3	61	7⅝	d7⅜	7⅜	-⅛
PMC	1.24	12	73	14½	14¼	14⅜	+⅛
RaganBrad			z100	27½	d27½	27½	-½
SJW Corp	2.28	21	9	49¼	48¾	48¾	-¼
Tab Prods	0.20	14	502	u10⅞	10½	10½	+⅛
TelDatax	0.42	39	z0	40½	40½	40½	+½
US Cellul			17	416	26⅛	d25¾	25⅞ -¼
ViacomA			121	286	36¼	36⅞	36½
ViacomB			123	4741	37	36¾	37 +¼
WRET	1.12	19	20	12¾	12¾	12¾	
Xytronix			114	1⅛	1½	1⅛	

NASDAQ NATIONAL MARKET

4 pm close March 21

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
J&J Snack		22	54	12⅞	12⅝	12⅞	+¼
Jason Inc		15	2	6½	6½	6½	
Johnson W			11	13	12¼	12¼	
Jones Int			109	9½	9⅜	9⅜	-3/16
Jones Med x	0.08	38	1659	25⅞	24½	24⅞	+⅝
JSB Fin	1.40	16	45	43	41	41	
Juno Lgt x	0.32	14	396	15¾	15½	15 11/16	-1/16
Justin	0.16	12	369	11⅛	10½	10½	-⅝

- K -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
K Swiss	0.08	111	7	12¾	12¼	12¼	-⅜
Kaman Cp	0.44	12	222	13⅜	13	13	-⅜
Kelly Sv	0.84	13	115	27¼	26¾	26¾	-½
Kimball x	1.04	15	1517	40	37¼	39¼	+1⅜
KLA Instr		17	17466	38¾	36⅝	36¾	-2
Koll A			490	7/16	3/32	5/32	
Komag♣		13	3270	29⅝	28⅜	28⅝	-¼
Kulicke S			5103	21⅞	20⅞	20⅞	-⅛

- L -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Labone	0.72	79	8	18	17¼	17½	-½
Ladd Furn			48	15	14⅞	14⅞	
Lam Rsch		10	8865	35⅛	32⅛	32¼	-2
Lancaster x	0.72	16	240	46¾	46¼	46¾	+1/16
Lance♣	0.96	21	174	17¾	17⅜	17⅝	

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Pizza		36	236	19⅞	19½	19¾	
PhlwdA		38	4970	18⅜	17⅞	18¼	+⅛
PLDTel		7	z0	5⅞	5⅞	5⅞	-⅛
Pacebk	0.68	9	51	21⅜	21⅛	21⅛	-⅝
Powell		14	57	15	14½	14 15/16	+1/16
PresCas			91	13/32	d⅜	13/32	-1/32
Pres Life x	0.20	13	430	15⅛	14⅞	14 15/16	+1/16
Presstek		101	865	46	43¼	43¾	-¼
PridePt♣		29	1732	20¼	20	20¼	+⅛
Printrnx		15	641	13⅛	12⅝	13	+⅜
Prod Ops	0.28	29	1923	54 5/16	53½	54⅛	+⅝
Qualcomm		20	315858	58½	56⅜	57	+⅝
Qual Food		23	z0	39⅞	39⅞	39⅞	
Quantum		21	25637	38⅛	36¾	37¼	+1 5/16
Quickslv		15	54	24¾	24¼	24¼	-¼
Quintiles		442	2557	58¾	57¼	57½	-½

- R -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Rainbow♣		12	109	17¼	16¾	16¾	-½
Rallys			504	3¼	3 3/16	3⅛	-1/16
Raymond x	0.25	14	259	u29¼	28½	28⅝	-⅛
RCSB Fin	0.80	12	489	32⅜	32	32⅛	-¼
Read-Rite			58438	27¼	24⅝	25	-¾
Recoton		12	242	14	13½	13½	-⅜
RegFnCp x			624	59⅞	59¼	59½	
RepGen			71	1.24	1 3/16	1.24	+.05
Repub Ind			13805	34½	33⅛	33⅝	+½
ResrchMed		23	z0	23¼	23¼	23¼	

- W -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Wang Lab			1722	19⅝	19	19	-⅜
Warrntech		27	957	9	8 15/16	9	-1/16
WashMut	1.00	14	4879	51⅛	50⅛	50⅛	-⅜
WattsIndA	0.31		202	25¼	24¾	24⅞	-⅜
Wausau PM x	0.25	14	517	19⅛	18½	18⅝	-⅛
WD-40	2.48	18	63	50¼	49½	49½	-¾
Werner En	0.10	15	359	17¼	16⅝	17	+⅜
Westrn Bnc	1.04	16	171	68	66	66 7/16	-1/16
WstpStA		21	1838	38¾	38⅛	38⅛	-⅜
Wst SealA		19	3139	23¼	21½	22	-⅞
Willamette	1.28	18	z0	63½	63½	63½	
WmsSonoma		37	5232	33½	32⅛	33	+1
Wolohan L x	0.28	13	205	12⅝	11¾	11¾	-1
Wrldcm		24	58478	24¾	23½	24¾	+13/16
Worthinds x	0.48	22	1891	20¾	20½	20¾	+⅛
WPP ADR	0.10	22	33	40½	40	40½	+⅛
Wyman-Gdn	0.40	27	3612	22½	21½	21½	-¾

- X - Y - Z -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Xilinx♣		26	13479	45	43¾	44⅜	-¼
Xircom		28	3642	16½	15¼	15⅞	+⅝
Xoma Corp			2055	5½	5¼	5⅜	-1/16
Yellow			919	17⅛	16⅝	16⅞	
York Rsch		16	1084	8¾	8	8 9/16	-7/16
ZionsUtah	1.76	18	510	125	120¼	124	+3¾

EASDAQ

EASDAQ is a fully regulated independent pan European Stock Market focused on high growth companies with international aspirations. The shares of companies on the EASDAQ Stock Market can be bought and sold through EASDAQ Members. EASDAQ Members are made up of Brokers and Banks from across Europe.

Company	Mid price	Change on day	Volume	High	Low	Company	Mid price	Change on day	Volume	High	Low
ActivCard	US$8.125		0	8.25	8	Innogenetics	US$12.25		16500	12.625	10.5
Artwork Systems	US$10.75		25700	11.375	10.25	Mercer Internatl.	US$9.125	+0.125	0	11.375	8.875
Dr Solomon's ADS	US$20.875	-1	1000	28	20.875	PixTech	US$4.625	-0.125	0	6.25	4.625
Esprit Telecom ADS	US$12.25		0	12.5	12						

Prices for 21/3/97.

Information about EASDAQ can be found on the Web site at: HTTP://WWW.EASDAQ.be
EASDAQ offices are located in Brussels (Tel. 32-2 / 227 65 20) and in London (Tel. 44-171 / 489 9990).

GUIDE TO THE WEEK

MONDAY 24

Flights resume to Tirana

Olympic Airways, the Greek carrier, resumes flights to Tirana following a two-week gap. Albania's only international airport reopened after pro-government forces regained control of the area around the capital. Other airlines are also expected to resume regular flights this week. Greece is anxious to restore normal ties as soon as possible in order to protect its ethnic minority in the still-rebellious south.

Blood trial in Osaka

The trial opens in Osaka, Japan, of Renzo Matsushita, the former president of Green Cross, the pharmaceutical company that sold HIV-tainted blood products. Matsushita and two other executives are charged with professional negligence resulting in the death of a haemophiliac user of the company's blood products. Meanwhile, in a separate case in Tokyo, a ruling is to be handed down in the trial of Takao Fujinami, the former chief cabinet secretary, who is accused of receiving bribes from Recruit, the employment services and information group.

Gore visits China

Al Gore, the US vice-president, begins a six-day visit to Beijing in spite of recent human rights disagreements and amid allegations of Beijing funding for the Democratic party. Mr Gore will be the most senior US government official to visit Beijing since the massacre in Tiananmen Square in 1989.

Academy Awards in LA

The Academy Awards ceremony takes place in Los Angeles and is expected to be dominated by films nominated for their artistic rather than mass-market appeal. The leading players in *The English Patient*, *Shine*, *Secrets and Lies* and *Fargo* are not the usual, instantly recognisable super-heroes. However, the producers are content: the best-picture candidates have already increased their total box office take by more than a third since their Oscar nominations.

FT Surveys

Guernsey; Insurance.

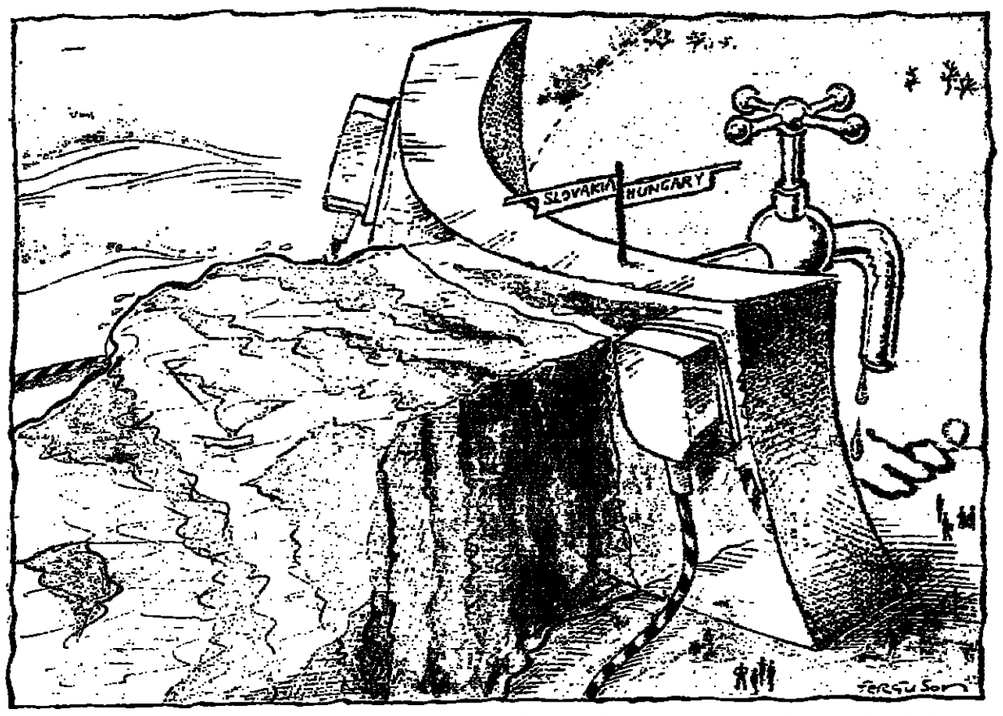
Public holidays

Albania, Guyana, Iran.

TUESDAY 25

Fed poised on rates

The Federal Reserve's open market committee meets to consider whether to raise short-term interest rates. Mounting evidence of strong growth in the economy in the past six months has led most private-sector economists to expect the US central bank to tighten policy for the first time in two years. But, with still very little firm evidence of an acceleration in inflation, the Fed is thought unlikely to raise the Fed funds rate by more than 0.25 percentage points. Investors will be hoping that will prove sufficient to cool the economy down without the need for further increases later this year.



Dam all: Slovakia gives evidence to the International Court of Justice in its dispute with Hungary over diverting the Danube for hydroelectric power

Rome celebrates EU treaty

EU foreign ministers gather in Rome to celebrate the 40th anniversary of the signing of the Treaty of Rome, which founded the then European Economic Community. After the celebrations, ministers will discuss progress in the Maastricht treaty review conference (IGC), whose task is to streamline EU decision-making before its enlargement to central and eastern Europe.

FT Surveys

Investing in South Africa; Japanese Finance and Investment.

Public holidays

Cyprus, Greece, San Marino.

WEDNESDAY 26

WTO adopts IT accord

About 40 countries meet at the World Trade Organisation in Geneva to adopt an information technology agreement eliminating tariffs on computer hardware and software, semi-conductors, telecoms equipment and scientific instruments by 2000. The participants – including the US, EU and Japan – represent more than 90 per cent of the global IT trade, worth more than $500bn (£314bn) a year. The tariff cuts will start in July.

African border tensions

African heads of state are to meet under the auspices of the Organisation of African Unity (OAU) in Lome, the capital of Togo, to discuss the crisis in the Great Lakes region. The rebel uprising in east Zaire challenges one of the OAU's founding tenets – the inviolability of the frontiers established in Africa by the western colonial powers. Analysts say its repeated calls for a ceasefire are prompted in large part by fears that if Laurent Kabila's guerrillas redraw the map of central Africa, their own countries' borders could also be up for negotiation.

Howard leaves for China

John Howard, the Australian prime minister, visits Singapore before flying on Friday to China, where he is to meet Premier Li Peng and President Jiang Zemin. Mr Howard will be the first foreign leader in China since the funeral of paramount leader Deng Xiaoping. Sino-Australian relations have been delicate recently. China protested over Mr Howard meeting the Dalai Lama, the exiled Tibetan spiritual leader, last year, and was angered by a ministerial visit to Taiwan. It is also concerned over Australian-US defence ties.

FT Surveys

Poland; Cyprus.

Public holidays

Bangladesh, El Salvador, Mali.

THURSDAY 27

German steel deadline

The deadline falls for talks between Thyssen and Krupp Hoesch, the German industrial groups, on forming a joint steel venture. The negotiations follow Krupp's hostile bid for Thyssen last week, which was put on ice for eight days. If talks fail, Gerhard Cromme, Krupp's chairman, has vowed to resume his ambitious assault on the entire Thyssen group.

Thais burn seized drugs

Thai drug authorities stage their annual public burning of the illegal drugs they have seized. In addition to the 1,112kg of marijuana and 120kg of opium to be torched, thousands of tablets of amphetamines and ecstasy will also be burned. Thailand hopes to divert attention from the recent, secret granting of bail to the trafficker Li Yun-chun, who was awaiting an extradition hearing to the US. Li jumped bail and fled the country.

Kendo

The 10th world championship for kendo, one of Japan's leading traditional martial arts, takes place in Kyoto (to Mar 30). About 400 foreign and Japanese competitors will participate. The sport is a form of fencing, utilising a long sword made of bamboo.

Cricket

West Indies v India, 3rd Test (to Apr 1).

FT Survey

Brighton and Hove.

Public holidays

Argentina, Burma, Colombia, Costa Rica, Denmark, Ecuador, El Salvador, Guatemala, Honduras, Iceland, Mexico, Nicaragua, Norway, Paraguay, Peru, Philippines, Spain, Uruguay, Vatican City, Venezuela, Virgin Islands.

FRIDAY 28

Offers for Thomson-CSF

Bidders for Thomson-CSF, the French defence electronics giant, must deliver preliminary offers to the ministry of economy and finance by noon. The process is expected to pit Alcatel Alsthom, the telecoms and engineering group, against the Lagardère conglomerate. Alcatel has confirmed it will make a joint offer with an arm of Dassault, the aircraft maker. The deadline for firm bids is May 7.

India/Pakistan talks

India and Pakistan, which have fought three wars since independence, embark on a series of meetings to improve relations. The Delhi talks between the countries' senior foreign office bureaucrats are the first in three frosty years. Relations have been dogged by the 50-year-old dispute over the Indian state of Jammu and Kashmir. The talks' occurrence alone is a positive step, following conciliatory signals – particularly since the election of Nawaz Sharif as Pakistan's prime minister.

Crucifixions in Manila

Good Friday is a distinctly painful occasion in the Philippine archipelago. The more devout, or superstitious, of the country's Catholic population have themselves nailed up in a bloody re-enactment of the crucifixion. Others on the ground indulge in ritualistic self-flagellation to atone for their sins. The Philippines' Catholic church neither endorses nor forbids the tradition but it remains a huge favourite with the crowds of spectators, especially in San Fernando, Manila, Rizal and Jordan.

FT Survey

Direct Selling of Financial Services (UK only).

Public holidays

(Good Friday) Andorra, Angola, Argentina, Aruba, Australia, Bahamas, Barbados, Belize, Bermuda, Bolivia, Botswana, Brazil, British Virgin Islands, Cameroon, Cayman Islands, Chile, Colombia, Cook Islands, Costa Rica, Denmark, Dominica, Ecuador, El Salvador, Equatorial Guinea, Estonia, Fiji, Finland, French Guiana, French West Indies, Gambia, Germany, Ghana, Gibraltar, Grenada, Guam, Guatemala, Guyana, Haiti, Honduras, Hong Kong, Iceland, Indonesia, Ireland, Jamaica, Kenya, Kiribati, Latvia, Lebanon, Lesotho, Liberia, Liechtenstein, Macao, Madagascar, Malawi, Malta, Mexico, Montserrat, Namibia, Nauru, Netherlands, Netherlands Antilles, New Zealand, Nicaragua, Nigeria, Norway, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Portugal, Puerto Rico, Seychelles, Sierra Leone, Singapore, Slovakia, Solomon Islands, South Africa, Spain, Sri Lanka, St Kitts-Nevis, St Lucia, St Pierre, St Vincent, Suriname, Swaziland, Switzerland, Tahiti, Tanzania, Tonga, Trinidad, Turks and Caicos Islands, Uganda, UK, US (many states), Uruguay, Vanuatu, Vatican City, Venezuela, Virgin Islands, Western Samoa, Zambia, Zimbabwe.

SATURDAY 29

Summer time in UK

Clocks go forward one hour at midnight, marking the start of British summer time.

Soccer

Nine World Cup European qualifying matches, including: Scotland v Estonia; Wales v Belgium; Northern Ireland v Portugal. International friendly: England v Mexico.

Rowing

The world's most famous boat race between Oxford and Cambridge universities takes place on the river Thames between Putney and Mortlake. Cambridge, having won the last three, start as favourites.

Public holidays

Botswana, Brazil, Chile, Fiji, France, Guatemala, Hong Kong, Panama, Papua New Guinea, Solomon Islands, Spain, Suriname, Taiwan, Vatican City, Western Samoa, Zambia, Zimbabwe.

SUNDAY 30

Japanese coal mine closes

Mitsui Coal Mining is to close the Miike mine in Fukuoka, Japan's oldest and largest coal mine, after 120 years. This will leave just two coal mines working in Japan – the Ikeshima mine in Nagasaki and the Kushiro mine on the island of Hokkaido. The Miike mine was forced to cut coal output following big imports of cheap coal and the shift to oil as an energy source.

Motor racing

Brazilian grand prix, Interlagos.

Compiled by Simon Strong.
Fax: (+44) (0)171 873 3194

ECONOMIC DIARY

Other economic news

Monday: The recovery in the French economy is unlikely to have made much impact on French unemployment during February. The market is forecasting a rate of 12.7 per cent, the same as December and January.

Tuesday: The continued strength in the US economy will be reflected by strong consumer confidence data. Both the Conference Board and University of Michigan indices are forecast to be near recent highs.

Wednesday: The UK's visible trade gap is expected to have narrowed from £845m in December to about £700m in January because of a lower deficit with non-EU countries. The trade deficit is expected to worsen later in the year.

Thursday: Production cuts at Toyota are one of the reasons behind the forecast for a 3.3 per cent month-on-month fall in Japanese industrial production during February, after a 5.6 per cent increase in January.

Friday: New home sales in the US are expected to have remained at a robust level of over 800,000 in March after 870,000 in February, a result of strong housing activity.

Statistics to be released this week

Day Released	Country	Economic Statistic	Median Forecast	Previous Actual
Mon	Japan	Jan coincident index	90%	90%
Mar 24	Japan	Jan leading differential index	44.4%	70%
	UK	Q4 gross domestic product, final***	0.8%	0.8%
	UK	Q4 gross domestic product, final**	2.7%	2.7%
	UK	Q4 current account	-£175m	-£71m
Tues	Japan	Feb supermarket sales**		0.8%
Mar 25	Japan	Feb department store sales**		0.5%
	US	Feb existing home sales	4m	3.94m
	US	Mar consumer confidence	118.3	118.4
	US	Redbook (Mar 22)		0.8%
	Japan	Mar trade balance (1st 10 days), not†		Y367bn
	France	Feb consumer price index, final**	1.6%	1.6%
Wed	Italy	Jan quarterly unemployment	12.1%	12.2%
Mar 26	UK	Jan global visible trade	-£710m	-£845m
	UK	Feb ex-EC visible trade	-£565m	-£398m
	US	Feb durable orders	-0.5%	3.6%
Thurs	Japan	Feb retail sales**	-1.8%	-0.6%
Mar 27	US	Initial claims (Mar 22)	313,000	312,000
	US	State benefits (Mar 15)		2.328m
	US	Mar agriculture prices		-2.8%
	US	M1 (week ended Mar 17)	-$0.5bn	-$3bn
	US	M2 (week ended Mar 17)	$4.5bn	$4.4bn
	US	M3 (week ended Mar 17)	$4bn	$7.7bn
	Japan	Mar wholesale price indx (2nd 10 days)		-0.1%
	Japan	Feb BoJ Corp services prices**		-0.7%
	Japan	Feb BoJ corporate services prices		-0.1%
Fri	Japan	Mar consumer price index, Tokyo**	0.1%	0.1%
Mar 28	Japan	Mar cnsmer prce indx, ex-perishables**	0.1%	0.1%
	Japan	Feb consumer price index, nation**	0.7%	0.6%
	Japan	Feb cnsmer prce indx, ex-perishables**	0.4%	0.5%
	Japan	Feb unemployment rate	3.2%	3.3%
	Japan	Feb job offers/seekers ratio	0.77	0.76
	Japan	Feb industrial production†	-3.3%	5.6%
	Japan	Feb shipments†		6.4%
	France	Mar Insee industrial survey	8	6
	France	Feb unemployment rate	12.7%	12.7%
	France	Feb jobseekers*	0.1%	0.6%
	US	Q4 gross domestic product, final	4%	3.9%
	US	Q4 gross domstc product, deflator final	1.8%	1.8%
	US	Q4 after tax corporate profit	2.2%	-1.4%
	US	Feb new homes sales	820,000	870,000
	US	Mar Michigan sentiment, final	101.9	101.9
During the week...				
	Germany	Jan trade balance	DM6.5bn	DM7.3bn
	Germany	Jan current account	-DM2.7bn	-DM3bn
	Italy	Feb balance of payments		L5,300bn
	Italy	Feb forex reserves		L114,000bn
	Italy	Jan trade balance (payments)		L3,600bn
	Italy	Feb total bank lending		2.4%

*month on month, **year on year, ***quarter on quarter, †seas/adj

Statistics, courtesy MMS International.

MONDAY PRIZE CROSSWORD

No.9,332 Set by DINMUTZ

Six bottles of Davys Celebration Champagne for the first correct solution opened and three runner-up prizes of £40 Davys food and wine vouchers redeemable in person or by post. These prizes are available only to winners living in England, Scotland and Wales. Winners with overseas addresses will receive a set of silver-plated place name bases and cards. Solutions by Thursday April 3, marked Monday Crossword 9,332 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Monday April 7. Please allow 28 days for delivery of prizes.

Name.....

Address.....

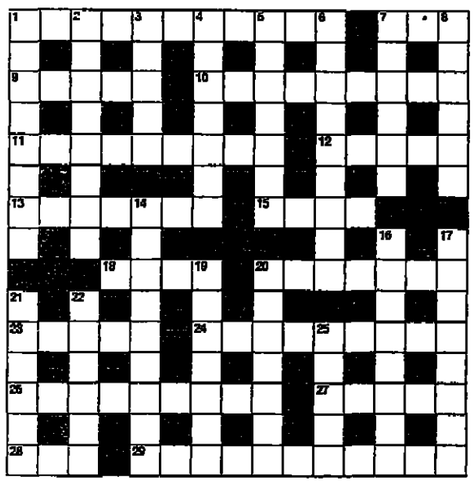
.....

ACROSS

1 Note of scale to strike nations dumb (11)
7 Bundle of notes women notice (3)
9 Name, formerly, for the present time (5)
10 Well, quivering all over in appropriate style (9)
11 If about to restore hearth (9)
12 Theatre-in-the-round (5)
13 Loss of power from cuts in energy, twice (7)
15 Wrestling with amount of money, and nothing more? (4)
18 Separate cream with piece of whisk implement (4)
20 Set of things awaiting delivery? (7)
23 Clubs not yielding to society (5)
24 Number of events of which 21 is one (9)
26 Pink in motor-race (9)
27 Dish of cooked tripe (5)
28 Spotted gnome (3)
29 This native speaker needs money to ring and put through a call (11)

DOWN

1 Jumper not wanted on beach? (4-4)
2 7 across making stock stagger (8)
3 Potter in advantageous position (3-2)
4 Burning light can intensify (7)
5 She plays with little resolution in new production of Cats (7)
6 Gaunt, toothless what's-his-name (9)
7 West Indian openers sadly gone for a duck (6)
8 Poet in dull study (6)
14 Fish with rod or spear-handle (9)
16 Weapon suiting T.S. Eliot to a T? (8)
17 Average life for the moment (8)
19 Island of cake and wine (7)
20 State returning broken icon with very few words (7)
21 Endlessly talk about competition of 24 (6)
22 Writer to ignore Polonius' advice? (6)
25 Gratuity increased for such a seat? (3-2)



WINNERS 9,320: P. Conyers-Silverthorn, Broadstairs, Kent; C. Bruce, Dunblane, Perthshire; R. Danson, Luton; L. Vaughan, Ashton-under-Lyne, Lancashire.

Solution 9,320

هكذا من الأصل

THIS WEEK

Paris turns to Nanny for fresh air

DATELINE

Paris: an anti-pollution plan for the French capital awaits the first few days of sunshine and stillness, writes **David Buchan**

Any day now Parisians could be in for a shock. All it will take is for a bit of an anticylone to descend on the city, giving it a couple of nice days of sunshine and stillness for traffic fumes to build up, and – hey presto – at 5pm one afternoon the authorities will decree that half the city's cars will have to stay off the road the following day. Exactly which half will depend on the car's licence plate and the date; even-numbered cars can be used on even-numbered days, odd-numbered vehicles the rest of the time.

Government agreement to this contingency plan, under France's clean air act, has taken almost everyone by surprise, not least Corinne Lepage, the environment minister. Lepage, the only non-party member of the Juppé government, has lost a series of cabinet battles, most recently over the issue of restarting the Superphenix nuclear reactor on which she threatened to resign. Anxious not to see the female minority in his government shrink further at a time when he is calling for electoral parity between the sexes, Juppé earlier this month gave Lepage the consolation of having her way on Paris.

The Lepage plan for Paris would be triggered if pollution reached "Level 2" and if weather forecasts showed a risk of it reaching "Level 3" the following day. The probability of it being triggered can be gauged from the fact that Paris has since 1994 hit "Level 2" 20 times and "Level 3" twice.

Such a plan is, of course, not new in Europe. Athens has had a similar scheme in force for several years. But Paris is not Athens; it has less sunshine to react with car fumes, far less industry clustered around, and has arguably the best metro in the world as well as an extensive suburban railway. "I don't see why I should lose half my clientele," my local garagiste grumbled this week.

Yet Paris is beginning to choke a bit. Some 3m cars flow in and out of the city every day, perversely tempted in by the policy of Jacques Chirac, during his 17 years as mayor, of building a minimum of 5,000 new underground parking places every year. Cars now lurk underneath virtually all its squares and wider boulevards, including the Champs Elysées. Peugeot and Renault also make a higher share of diesel engines, which consume less fuel but spew out relatively more pollutants, than their competitors.

However, many Parisians have some kind of rural bolt-hole or country cousins to give them a breath of fresh air in the wide open spaces of the French countryside. The latter remains pretty impervious to the environmental movement, even though farmers in certain areas, like pig producers in Brittany, are now proving to be serious polluters. In other areas, such as the south-west, the huntin', shootin', fishin' lobby has formed a quasi-political party (Chasse, Pêche, Nature et Tradition) to counter Green attempts to keep them from their animal prey.

A genuine environmental movement now exists in French cities, many of which have taken intelligent steps to provide unpolluting public transport. Lyons has its own underground metro, while Lille, Strasbourg, Grenoble have reintroduced trams, and Bordeaux – where Juppé is mayor – plans to follow. But there is a tendency, as elsewhere in French life, for people to leave it to the state or public authority to act.

Take the city of Paris and its enormous squad of green-painted trucks and green-clad men. To avoid blocking narrow streets in the daytime, every night of the year, including Christmas Eve, the garbage trucks come round. Another set of men come round with water trucks and spray (even when it is raining) the pavements (and also your car, if you ask them nicely). A third set of specialists pass by on their "crottinettes" – motorcyles with a hoover on the front which sucks up dog turds into a tank on the back. A fourth group, sweepers with green brooms, takes care of the rest.

But as a result of this superb civic service, paid out of high taxes, many Parisians have a rather Latin insouciance about what they, and their dogs, put in the streets.

Private environmental standards are often lower, partly out of the French tendency to open their purses less to each other than to their money-gobbling state or city. I have, for instance, had a long, and fruitless, guerrilla war with my landlord about our apartment block's coal furnace that gives off sulphur fumes that remind me of the UK 40 years ago.

Local government, too, is still often the "Nanny-state" writ small. Running alongside a small park outside our apartment is a big old wall, which last year had a dramatic face-lift dictated by "Nanny", in this case the elegant, well-coiffed mayoress of the 7th arrondissement.

"Nanny" called a local meeting to explain her plan. My wife and I went along. It was lively session, with plenty of opponents, like ourselves, of the change, but made completely moot by the fact that it eventually transpired the wall painting contract had already been signed. In the end, we were wrong. The wall mural of pastel tree outlines is superb. Nanny *did* know best.

The Monday Profile: Gerhard Randa, Bank Austria

Biker turned banker

When Gerhard Randa, chief executive of Bank Austria, looks into his mirror what does he see? Is it a leather-clad, trail-blazing Harley-Davidson biker who couldn't care less about upsetting the locals as he races from one big deal to the next? Or does he see a pillar of the Austrian establishment who is leading the fight to modernise Austria's economy?

Despite his fondness for large motorbikes and jazz, Randa, 52, appears at first sight more cut out to be a member of Austria's tight-knit business and political establishment than a business tearaway. He heads Austria's biggest bank which has just taken over Creditanstalt, the country's second biggest bank. He is chairman of the Vienna stock exchange, sits on the boards of several of Austria's biggest companies, and, as a member of Austria's ruling social democratic party, has no difficulty getting the ear of Austria's leaders.

Randa's Bank Austria, even after the Creditanstalt acquisition, may be only a blip on the European banking scene, but in Austria Randa is without doubt the country's most important banker, and probably its most powerful businessman.

Heimo Hackel, Randa's long-time spokesman, despairs at the popular portrait of his boss as "Rambo Randa", who got to the top of Austrian banking by trampling on the opposition in one swift deal after another. According to Hackel, his leader is a "very friendly and warm person" who is nowhere near as tough as his enemies portray. True, he once took off on a motorbike holiday across the US West, but as far as Hackel knows, Randa no longer owns his own chopper.

Nevertheless, Randa is a bit of a maverick – and a lucky one. He spent the first 20 years of his career with the Zentralsparkasse, a savings bank set up by the City of Vienna, which still lies at the heart of Bank Austria. Nine years ago he was made deputy chairman of Creditanstalt, then the country's biggest bank, and stood a good chance of eventually taking over as chairman.

However, Randa has always been a man in a hurry and in 1990 he was offered the top job at Osterreichische Länderbank, the country's fourth biggest bank. Within a year he had organised the 1991 merger with his old bank, Zentralsparkasse, creating Bank Austria.

Randa was given the job of deputy chief executive and sorting out a merger which he now admits involved "some very bloody years". Bank Austria had to cut its dividend and, although the merger is now seen as a success, it has not been reflected in return on equity. Bank Austria's shares are still lower than at the time of the merger.

By 1994, Randa was on the warpath again, helping to organise a bid for Girocredit, Austria's third biggest bank, with the help of AV-Z, a City of Vienna foundation which is Bank Austria's biggest shareholder. However, Bank Austria got into a fight with First Austrian, Austria's oldest savings bank, and failed to win complete control. It was left with a large minority shareholder and an independent Girocredit management which rebuffed Randa's efforts to rationalise.

As Randa has been Bank Austria's chief executive for less than two years, it was assumed that he was far too busy to contemplate yet another massive merger. Hence, the swiftness of Bank Austria's acquisition of Creditanstalt, Austria's proudest banking symbol, has caused both surprise and unease.

Is it the final act of a power hungry banker? Or one of the shrewdest deals in recent European banking history? Everyone agrees that Austria has too many banks and profits will only recover from a reduction of banking capacity. Robert Law, of Lehman Brothers in London, thinks Bank Austria stands a better chance than most of reaping financial benefit from the acquisition. He is impressed by Randa's promise to double earnings per share over the next five years. Nor is he overly worried by Bank Austria's commitment to maintain Creditanstalt as a separate entity for at least five years and agreement to no compulsory redundancies.

While everyone accepts that Randa is a shrewd deal-maker, there is less agreement about his managerial skills. There has been a high turnover in the Bank Austria boardroom and when a couple of board members were forced to resign last year after a botched attempt to stop a competitor offering above-market yields to competitors, they were promptly re-employed within the group.

It was hardly a reassuring sign that Bank Austria has the management in depth to rise to the challenge of turning an unfriendly takeover into a friendly merger. Randa's most important job during the next few months will be to convince the international investment community, which is going to have to digest a lot of Bank Austria paper, that Austria's biggest bank is not just a one-man show. It could turn out to be one of his tougher challenges.

William Hall

FT GUIDE TO:

THE STATE OF GERMANY

Angry workers protest against a possible hostile takeover of steel giant Thyssen. Coal miners blockade Bonn and win extra government subsidies. And there is a possibility of not satisfying the Maastricht criteria for membership of Europe's planned single currency bloc. Is Germany falling apart?

The economy is no longer a wunder. Germany is undergoing a painful restructuring, forced by international competition. Unemployment has reached 4.67m. And many features of the German model are being challenged – generous social provision, joint decision-making between workers and management, and refusal to allow shareholders' interests to dominate.

Pressure is becoming more acute because of the possible difficulty in meeting the Maastricht criteria for the public deficit and debt – two of the criteria which will determine membership of the EU's single-currency bloc.

In the past weeks this pressure has been vented in protests. And the government, with no desire to fuel conflict, has buckled. But Germany remains a powerful European economic motor. Its GDP last year was twice that of the UK. GDP per capita is on a par with the US. And modest economic growth of 2-2½ per cent is expected this year – hardly the sign of economic failure.

Will there be riots on the street?

Don't be misled by John le Carré's *A Small Town in Germany*. Protests may be ill-tempered but at the end of the day, everyone goes home to bed: miners in Bonn even cleared up their rubbish afterwards. The debate is about middle-class standards, job security and welfare provision. There is no disaffected youth movement: unemployment among the young is less than half the EU average, thanks to Germany's still-strong training system.

But something has gone wrong. Has Chancellor Helmut Kohl lost his grip?

Perhaps. Certainly Kohl has a lot on his plate. In addition to domestic economic difficulties, the chancellor has linked his political future to the success of the new euro currency. He believes further European integration is vital to ensure peace across the continent. But if Germany itself cannot meet the criteria for adoption of the single currency, the project may have to be delayed. Meanwhile, the importance to Germany of the possible eastward expansion of Nato should not be under-estimated. Less than seven years ago, Germany was two countries; 50 years ago it was in ruins. A new defence pact (or otherwise) will determine its place in the post-cold war era.

What is Kohl doing about it all?

Not a lot. A charitable explanation is that the chancellor plays a long game – less kind, that he is fiddling. The coal dispute was resolved by reducing massive subsidies at a slower rate than previously agreed. But the Bonn coalition faces stalemate in talks with the opposition Social Democratic Party (SPD) about tax cuts intended to boost the economy. Reform of Germany's expensive pay-as-you-go pension scheme is some way off. Other decisions, such as that on the Eurofighter aircraft, are delayed. On unemployment, Kohl has set the goal of halving the total by 2000, but says everyone has to take responsibility.

So traditional German consensus-seeking politics are alive and well?

Yes, but – again being charitable – that is because of circumstances. The SPD controls the Bundesrat, the second chamber of parliament, where many important decisions have to be approved. And consensus is embedded in the German mentality. Opinion poll support for the Free Democratic Party – the nearest Germany gets to US/UK-style free market economics – runs at only 5 per cent.

But politicians are being overtaken by events. Take last week's hostile takeover bid by Krupp, the steel and engineering group, for Thyssen. Steel faces stiff foreign competition; arguments for consolidation are overwhelming. And after many years of trying, Krupp saw no chance of a friendly approach succeeding. Its hostile approach, backed by some of the biggest names in German banking, forced negotiations about a joint steel venture which conclude on Thursday.

If there is so much fuss about one takeover bid in the steel sector, what chance is there of Germany's broader problems being solved?

Cue much German angst. Perhaps European monetary union will be postponed this summer and industrial strife intensify. But Kohl has been written off before, only to make a comeback. There is nothing like a crisis to concentrate minds. There remains much fat in public spending which could yet be trimmed to ensure the Maastricht criteria are met. And a weaker currency during the past year should stimulate the economy. Nevertheless, Kohl has not yet said whether he will contest federal elections due late next year. Maybe he is leaving open the option of stepping down after the EU summit in Amsterdam in June.

What of Germany in the 21st century?

Necessary restructuring is clearly being avoided. A long-term decline relative to other countries could be underway. But economists will argue for decades about when the turning point was, and how long-term the decline.

Should I bet on Germany not joining the single currency bloc as planned in January 1999?

Perhaps worth a speculative punt, but don't stake Grandma.

Ralph Atkins

Robert Chote . Economics Notebook

Euro may unseat the dollar

The sheer size of Europe's economy will bolster its putative currency

The US dollar has been the world's top currency for more than 60 years, having supplanted sterling as lynchpin of the international monetary system between the wars. Europe's putative single currency poses the first serious threat to its hegemony.

The euro's status as an international currency will depend on the willingness of public and private sectors around the world to use it as a store of value, medium of exchange and unit of account. That in turn will depend on several factors, of which the size and strength of its domestic economy will be among the most important.

In this respect, the euro clearly poses a threat to the dollar. Europe's economy is bigger than America's, with output of goods and services in 1996 totalling $8.4tr in the EU compared with $7.2tr in the US. At $1.9tr Europe's external trade (exports plus imports) also outstripped the US total of $1.7tr. Even a modest monetary union comprising only Germany, France, Austria and the Benelux nations would create an economy two-thirds the size of the US and carrying out more global trade.

As well as drawing attention to Europe's size advantage, Fred Bergsten, director of the Institute for International Economics, argued at an IMF symposium last week that "the structural features of united Europe are likely to produce a euro that will ultimately challenge the dollar as the world's key currency".

Bergsten noted that Europe had run modest current account surpluses in recent years, while the US had built up a $1tr external debt following 15 successive years of current account deficits. He also predicted that the independent European central bank was likely to deliver the economic stability which financial markets crave. Both factors should make the euro attractive.

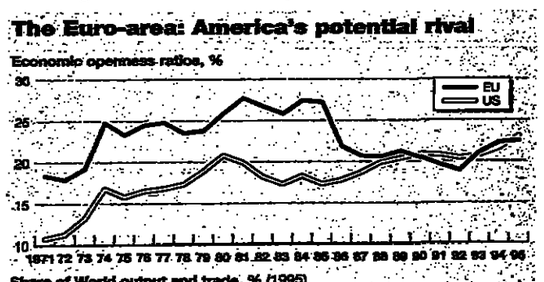
In the dollar's favour remain the breadth, depth and liquidity of US capital markets. The dollar will also benefit from incumbency and inertia, which allowed sterling to maintain its international role long after Britain's economy had suffered relative decline.

Bergsten saw no clear winner in the short term: "A bipolar currency regime, with Japan as an important, but less significant, player, will replace the dollar-denominated system that has prevailed for over half a century". That prospect raises an important question: will the euro perform strongly or weakly on the foreign exchanges relative to its main international rivals?

In the short term, this will depend in part on the degree to which private sector investors and central banks opt to switch assets denominated in other currencies into euros. Bergsten estimates that this portfolio shift, largely out of dollars, will total between $500bn and $1tr, with private reallocations accounting for by far the larger share.

By way of comparison, Japanese investors shifted $230bn from domestic into foreign assets between 1980 and 1985, during which time the dollar rose 25 per cent against the yen and 75 per cent against all G10 currencies.

The Euro-area: America's potential rival



Share of World output and trade, % (1995)

	US	EU	Core EU*	Germany	Japan
Output	26.6	31.2	15.8	7.0	19.7
Trade	18.3	20.4	18.9	12.4	10.2

Source: IMF, OECD

An increased demand for assets denominated in euros will certainly put upward pressure on its exchange rate, but by how much is not clear. Michael Mussa, chief economist at the IMF, told the symposium that shifts in interest-bearing assets were more likely to reduce the euro interest rate rather than push up its exchange rate. And William White, of the Bank for International Settlements, argued that the increased desire for euro-denominated assets would be met by a greater supply as more institutions chose to borrow in euros. The net effect on the exchange rate would therefore be ambiguous.

The euro-area, like the US, will be a relatively closed economy with external trade accounting for a much smaller proportion of national output than it does for most individual European economies. Nonetheless changes in the euro exchange rate will still have important economic effects.

Professor George Alogoskoufis, of the Athens School of Economics, told the symposium that portfolio shifts might well push the euro higher against the dollar, overshooting the level justified by economic fundamentals. Initially this would improve the EU's current account position (by making imports cheaper) and push up real interest rates. But the euro would then weaken as the trade position worsened and real interest rates fell.

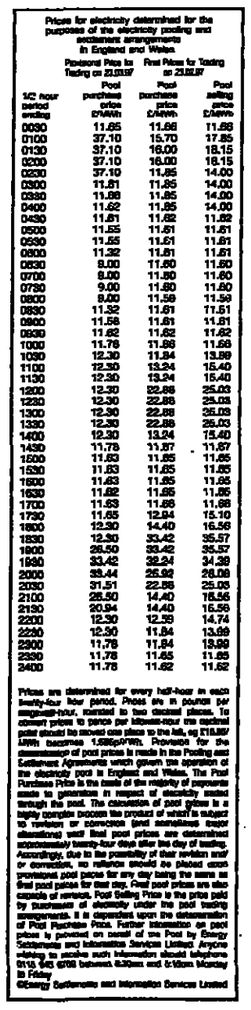
In the longer term, the euro's performance on the foreign exchanges will depend in large part on the interest rate policy pursued by the European central bank and the budgetary policies pursued by the governments within the euro-zone.

Paul Masson, of the IMF, predicted that monetary union would eventually help stabilise key economic variables within the euro-area, but he added that the European central bank would at first have great difficulty using these indicators as a guide to policy. The ECB will need practice before it can interpret euro-area statistics and judge how the economy will respond to policy changes.

Masson concluded that the central bank's proposed inflation and money supply targets might therefore be difficult to apply. "A more discretionary policy, in which the exchange value of the euro, among other indicators, is given a certain amount of attention, may instead emerge," he said. Paul Jenkins, of the Bank of Canada, predicted that a 5-6 per cent change in the euro's exchange rate would have the same impact on a small single currency area as a one point change in interest rates.

But many economists dispute the usefulness of such rules. Several participants in the symposium also warned that the euro would be more volatile relative to the dollar than existing European currencies. That would make exchange rate movements even more difficult to interpret.

The ECB will begin its life making policy in the dark. With no track record and everything to prove, the greatest danger is that it will err too much on the side of caution and keep interest rates too high. If governments respond by relaxing budgetary policy, then the euro may indeed begin its life as a strong currency – but to the detriment of the health of Europe's economy.

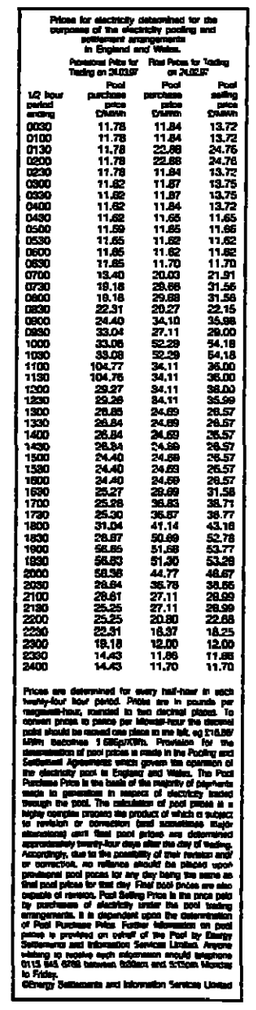


Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales

	Provisional Price for Trading on 23.03.97	Final Prices for Trading on 23.03.97	
1/2 hour period ending	Pool purchase price £/MWh	Pool purchase price £/MWh	Pool selling price £/MWh
0030	11.85	11.66	11.66
0100	37.10	15.70	17.85
0130	37.10	16.00	18.15
0200	37.10	16.00	18.15
0230	37.10	11.85	14.00
0300	11.81	11.85	14.00
0330	11.88	11.85	14.00
0400	11.62	11.85	14.00
0430	11.61	11.62	11.62
0500	11.55	11.61	11.61
0530	11.55	11.61	11.61
0600	11.32	11.61	11.61
0630	9.00	11.60	11.60
0700	9.00	11.60	11.60
0730	9.00	11.60	11.60
0800	9.00	11.59	11.59
0830	11.32	11.61	11.61
0900	11.56	11.61	11.61
0930	11.62	11.62	11.62
1000	11.76	11.66	11.66
1030	12.30	11.84	13.99
1100	12.30	13.24	15.40
1130	12.30	13.24	15.40
1200	12.30	22.88	25.03
1230	12.30	22.88	25.03
1300	12.30	22.88	25.03
1330	12.30	22.88	25.03
1400	12.30	13.24	15.40
1430	11.76	11.87	11.87
1500	11.63	11.65	11.65
1530	11.63	11.65	11.65
1600	11.63	11.65	11.65
1630	11.62	11.65	11.65
1700	11.63	11.66	11.66
1730	11.65	12.94	15.10
1800	12.30	14.40	16.56
1830	12.30	33.42	35.57
1900	26.50	33.42	35.57
1930	33.42	32.24	34.39
2000	33.44	25.92	28.08
2030	31.51	22.88	25.03
2100	26.50	14.40	16.56
2130	20.94	14.40	16.56
2200	12.30	12.39	14.74
2230	12.30	11.84	13.99
2300	11.76	11.84	13.99
2330	11.76	11.65	11.65
2400	11.76	11.62	11.62

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £10.00/MWh becomes 1.000p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Pool pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0113 243 6788 between 8.30am and 5.00pm Monday to Friday.

©Energy Settlements and Information Services Limited



Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales

	Provisional Price for Trading on 24.03.97	Final Prices for Trading on 24.03.97	
1/2 hour period ending	Pool purchase price £/MWh	Pool purchase price £/MWh	Pool selling price £/MWh
0030	11.78	11.84	13.72
0100	11.78	11.84	13.72
0130	11.78	22.88	24.76
0200	11.78	22.88	24.76
0230	11.78	11.84	13.72
0300	11.62	11.87	13.75
0330	11.62	11.87	13.75
0400	11.62	11.84	13.72
0430	11.62	11.65	11.65
0500	11.59	11.65	11.65
0530	11.65	11.62	11.62
0600	11.65	11.62	11.62
0630	11.65	11.70	11.70
0700	13.40	20.03	21.91
0730	19.18	29.68	31.56
0800	19.18	29.68	31.56
0830	22.31	20.27	22.15
0900	24.40	34.10	35.98
0930	33.04	27.11	29.00
1000	33.06	52.29	54.18
1030	33.06	52.29	54.18
1100	104.77	34.11	36.00
1130	104.76	34.11	36.00
1200	29.27	34.11	36.00
1230	29.26	34.11	35.99
1300	26.84	24.69	26.57
1330	26.84	24.69	26.57
1400	26.84	24.69	26.57
1430	26.34	24.69	26.57
1500	24.40	24.69	26.57
1530	24.40	24.69	26.57
1600	24.40	24.69	26.57
1630	25.27	29.69	31.58
1700	25.28	36.83	38.71
1730	25.30	36.87	38.77
1800	31.04	41.14	43.18
1830	28.87	50.69	52.78
1900	56.85	51.68	53.77
1930	56.83	51.30	53.29
2000	58.36	44.77	46.67
2030	29.84	36.76	38.65
2100	28.61	27.11	28.99
2130	25.25	27.11	28.99
2200	25.25	20.80	22.68
2230	22.31	16.37	18.25
2300	19.18	12.00	12.00
2330	14.43	11.66	11.66
2400	14.43	11.70	11.70

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £10.00/MWh becomes 1.000p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Pool pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0113 243 6788 between 8.30am and 5.00pm Monday to Friday.

©Energy Settlements and Information Services Limited

Winston Fletcher · **Commentary**

Clients and agencies: long-lasting affairs

The recently published 1996 UK advertising agency league table, in which the two-year-old M&C Saatchi agency leapt into the No 8 spot, with billings of £175m, was held by observers to be further proof that the advertising game is highly volatile, and that clients shift from agency to agency at the drop of a storyboard. Codswallop.

Compared to many others, the advertising agency business is almost boringly stable. J. Walter Thompson has been in existence – and one of the business's leaders – for well over a century: far longer than most of its clients. During its long life it has naturally passed through several generations of management, different in every country in which it operates, and through several forms of ownership. The same is true of more than half the other top 20 British agencies, a dozen of which are members of agency groups more than half a century old.

Nor are clients nearly as fickle as many believe. On average, clients stay with their agencies for seven years. Experienced advertisers tend to stay much longer. During the Maurice Saatchi shindig, nobody mentioned that Procter and Gamble was with Saatchi and Saatchi long before Maurice and his art-loving brother Charles were even twinkles in Margaret Thatcher's eye. The P&G account was with Compton, which the Saatchi brothers bought in 1982, and it hasn't moved yet.

Indeed, far from reflecting volatility, the Maurice Saatchi saga could just as easily be adduced as proof of the agency game's almost rocklike stability. After all, Maurice and Charles Saatchi were not just employees. They were the founders of the original agency. When they quit, in high dudgeon, they took with them more than 30 staff, including the agency chairman and deputy chairman, the creative directors, the joint managing directors and just about all the other senior management.

That is a massive blood-letting in a personal service business. Yet fewer than half-a-dozen accounts followed them, representing about 6 per cent of their ex-agency's billings. Some of those accounts are big, and Maurice's new agency is undeniably doing well. But his former agency remains one of the biggest in the UK.

Why, even in times of turbulence, do clients like P&G stay loyal to their agencies? J. Walter Thompson has held on to several of its biggest UK clients, including Rowntree and Unilever, for well over six decades. Though they constantly experiment with marketing suppliers – sales promotion companies, direct marketing agencies, market research companies and the rest – clients have long-lasting relationships with their advertising agencies.

What differentiates ad agencies from the others in this matter of client promiscuity? Manifestly, clients are not loyal to their agencies out of indolence or inertia. (P&G indolent? Inert?). They are loyal because they believe it to be to their advantage to stay with their ad agencies. Changing agencies is time consuming, wasteful and risky. Clients are rightly wary about switching important contracts around. And advertising – despite the endless debate about the growth of new media – is still where the big money is. Last year over £11bn was spent in Britain above the line, accounting for around 75 per cent of all marketing communications expenditure. Size matters. It is one thing to risk £10,000, or even £100,000, on an untried supplier. It is quite another to risk £1m or more.

Not everyone has always known that. Almost 30 years ago, two smartypants entrepreneurs, John Bloom and Cyril Lord, decided that long-lasting agency relationships were rubbish. So neither appointed agencies, although both were spending small fortunes on advertising. John was in washing machines, Cyril in carpets. Determined to break every mould they could lay their paws on they both (independently) instituted regular monthly tournaments in which any agency that fancied its chances could enter campaign ideas.

Bloom and Lord would then peruse all the campaigns submitted and pick those that appealed. Agencies which struck lucky made a fast buck that month; the others lost their bets. Then Bloom and Lord both went bust, taking several of the agencies that had played their Russian roulette game with them.

Since the 1960s no other advertiser has attempted, as far as I know, to emulate the Bloom/Lord system, though some of the partwork publishers have come close. A tiny number of flaky, fly-by-night clients switch agencies whenever they get bored, which is all too often. They are well known in the advertising village, and only desperate agencies accept their business.

Wise advertisers know that communicating their brands' benefits in above-the-line advertising is difficult, and mistakes may cost them dear – far more in lost sales and profitability than the cost of the advertising alone. A lousy (or inappropriate) campaign can do immense long-term damage to a brand. It's happened. For a new agency to get under the skin of a brand, to really understand its personality, takes quite a while. And for a client and agency to learn to work together efficiently and productively can take quite a while, too.

Long-lasting relationships, however, inevitably breed complacency. Agencies, like spouses, all too easily start to take their other halves for granted. People who have been working together for too long and have grown too close can become casual and sloppy. At that point the client must read the agency the riot act. It is far better for a client to kick the agency into pulling up its socks than to give it the boot. If the agency still fails to respond – well, nothing, but nothing, is for ever.

Schindler's List and Coronation Street have been sponsored by Ford and Cadbury respectively

UK sponsors look to US

British TV may soon resemble that of America, says **Alison Smith**

British television viewers should now be able to watch a home improvement programme sponsored by a DIY chain, but should not – on terrestrial channels – be able to watch a programme on fishing sponsored by a specialist magazine.

This judgment by the Independent Television Commission, a broadcasting watchdog, comes in its revised rules for TV sponsorship which should be published in the next few days.

Its refusal to allow "masthead programming" on ITV and Channel 4 comes in the face of strong pressure from potential sponsors. The watchdog says that since about three-quarters of UK households receive only the terrestrial channels and that the channels are likely to feature only one specialist programme in any subject, relaxing the rules would come too close to giving a particular magazine a virtual monopoly of TV coverage in its speciality.

Overall, however, the revised rules give potential sponsors more flexibility, and are likely to contribute to the growth of TV sponsorship that has occurred in recent months.

Last September, for example, saw the start of the largest sponsorship to date, as Cadbury began a relationship with *Coronation Street*, that doyenne of UK soap operas, introducing chocolate characters – including a postman – at the start and end of each episode.

Cadbury was attracted to the idea because it felt that it held broadly the same place in the UK's affections as the programme. "The best sponsorships are those where there is an equivalence of stature between the two partners," says Richard Frost, Cadbury's head of public relations. "If, for example, Michael Jackson were to be sponsored by Fisherman's Friend, then it probably wouldn't work."

The deal is likely to cost Cadbury nearly £10m for a year, taking account both of on-air fees and supporting promotional activity, but it already appears to have benefited the company.

An analysis by Janine Gamon of Millward Brown International and Ivor Millman, chairman of the ITV sponsorship committee, which was presented to a Market Research Society conference last week, found that not only the chocolate but the company was regarded more positively by people aware of the sponsorship, than by those who were not. They gave Cadbury higher ratings for being up-to-date and a supporter of local community.

But there are limitations. Although sponsorship airtime is generally slightly cheaper than spot advertising, it does involve spending large amounts while being able to say less about the product.

And it cannot replace spot advertising entirely. "Unless you continue to run other advertising, you are reaching only a certain number of people," points out Ian Lewis, broadcast director at Zenith Media, the UK's largest media buying agency. "There are some people who will never watch *Coronation Street*."

Moreover, some programmes yield few additional marketing opportunities. For example, it is hard to imagine that Doritos, the snack brand that sponsors films on ITV, will be able to round up the cast of the season's blockbusters to take part in promotional activities.

Even so, there seems a consensus that in time UK television sponsorship will grow and become more like sponsorship in the US, the home of the phrase "This programme is brought to you by . . ."

If potential UK sponsors are looking across the Atlantic, they will find vivid recent examples of the risks sponsors run.

Last spring, Taco Bell, the Mexican food company, was one of three title sponsors for the *Dana Carvey Show*, a prime time comedy. It won a sizeable audience, but was too controversial for the company, which withdrew after the first episode.

Taco Bell says bravely that this has not put it off sponsoring comedy in the future, because this represents one way of reflecting the values of "fun and energy" which the company embodies. "You have to be bold to break through," it says.

A risk paid off, however, for Ford, the motor company, which last month sponsored a network showing of Steven Spielberg's film *Schindler's List*. Ford did not run advertisements in the film, but simply had a small logo on screen during an intermission.

Some potential sponsors had decided that the subject of the Holocaust and the violence and nudity in the film made sponsorship too difficult.

Jim Schroer, executive director of worldwide marketing at Ford, says the opportunity was too good to miss. "Sponsorship of this special and unique experience was a big step in telling our customers and our own people that the company has the right values," he says.

He agrees that some people did respond negatively, but says they were far outweighed by the positive reaction. "You have to take an appropriate risk."

In an environment where the onscreen clutter makes it increasingly hard to distinguish programme from promotion, the *Schindler's List* sponsorship also provided a way for Ford to set itself apart from other advertisers.

As the UK moves, albeit gradually, towards a more relaxed regime for TV sponsorship, British advertisers, too, will have to seek new ways to stand out from their competitors. A chocolate postman may then no longer be enough.

Lachlan advances in 'battle' of succession

But power at News Corp may one day be distributed among the three young Murdochs, says **Raymond Snoddy**

When the News Corporation summoned about 250 international investment analysts to a day of presentations on the future of the company last month, Rupert Murdoch, chairman and chief executive, dominated the show.

During the meticulously scripted production in the Twentieth Century Fox studios in Los Angeles, Rupert Murdoch insisted that he thought of News Corp as "tiny – relative to the opportunities in the worldwide market for media" and denounced reports that newspapers are in decline as "just plain wrong".

But there were two other Murdochs on parade that day – Elisabeth Murdoch who reported on the affairs of British Sky Broadcasting as its director of programming and more centrally Lachlan Murdoch, managing director of News, which brings together all News Corp's Australian interests.

Lachlan, who is 25, and the Murdoch considered by the outside world most likely to take over his father's mantle, had two presentations to make – one on News Corp's newspaper interests in Australia and the other on Foxtel, the company's pay television company.

In an echo of a familiar Murdoch theme, Lachlan argued that one of the things that had influenced the launch of pay television in Australia had been "a high level of misguided government intervention". But in an up-beat conclusion, the managing director of News Australia explained that, whatever happened to the subscription television market there, "Foxtel is uniquely positioned through its significant roll-out commitments, its superb content, and its clear brand leadership, to be in the driving seat of the Australian pay-television industry."

The 67-year old Rupert Murdoch says that, when the day comes for him to give up day-to-day control of News Corp, he believes the three young Murdochs – James, the youngest, who is in charge of the embryonic music and electronic information interests, Elisabeth and Lachlan – are close enough to sort out issues of control without rancour. But there is little doubt that Lachlan has been given the most intensive managerial training in News Corp.

"Every time you get comfortable and you think 'Gee, I can get my head around this, I'm doing well', I'm on to the next thing," says Lachlan, a thoughtful, neat and precise young man who chose to study philosophy at Princeton for four years before embarking on his career, which has been entirely within News Corp.

Significantly, Lachlan Murdoch has followed closely the apprenticeship of his father in printing, newspapers and journalism.

Lachlan began summer work as a printing apprentice in a Murdoch press room in Sydney while still at school. Then there was a summer spent as a sub-editor on The Sun in London.

There were also stints at The Times, with the Burda newspaper group in Germany and – while at university – a day a week at a commercial pre-press operation in Pennsylvania.

Lachlan says there was never pressure to go into the family business. "I think we all knew my dad would like us to go into the business. What there was, was a very clear understanding about the work ethic – that whatever we did in life, he would expect us to do it to the best of our abilities and to be very serious about our work," he says.

There was a time when Lachlan, who was very keen on rock climbing at university, considered taking a year out to concentrate on his sport. There was also a moment of decision, of choice, one evening when he opted not to. Lachlan thought of his grandfather Sir Keith Murdoch, his father Rupert – "people who have accepted responsibility within the community" – and then he decided to do the same. It meant two weeks holiday after graduation before, at the age of 22, becoming general manager of the Courier-Mail group of newspapers in Queensland.

In 11 months he had to learn to manage, hold meetings and get people to do what he wanted them to, even though there was inevitably an element of suspicion about the arrival of an inexperienced owner's son in a position of authority.

Lachlan Murdoch is polite, thoughtful and quietly spoken – but very, very determined. He was publisher of The Australian for nine months before becoming deputy chief executive of News Australia and then managing director under chairman and chief executive News Corp veteran Ken Cowley. Apart from setting up the Super League and negotiating television deals with James Packer, son of Sir Kerry, A$1bn (£400m) has been invested in four new printing plants. "Now I am totally responsible for the whole business," says Lachlan. He tries to get away one day a week in "a little sailboat" just as his father did.

What the next job will be should give the clearest evidence on how the succession "battle" is likely to turn out. But that may be too simple a way of looking at the issue and power could be more widely shared. Lachlan Murdoch emphasises that all the Murdochs, his brother and his sister, his dad and his mother Anna, all share one trait – "a certain extremism". This involves a total commitment "which keeps us focused" on driving the family business forward. "When you look at a map of the world, it's exciting when you look at all the opportunities," he says. It could be Rupert Murdoch speaking.

Lachlan Murdoch: driving the family business forward

Philippines thrill to Jaguar's roar

Asia-Pacific sales are taking off, says **Justin Marozzi**

It is less than a month since Jaguar entered the Philippine market, but there is already a very happy man in the new showroom in Makati, Manila's central business district.

In its first week, after heavy local press coverage, Jaguar Philippines sold 12 cars, taking it from nowhere into third place behind Australia and Thailand in numbers of Jaguars sold in the Asia-Pacific region. The secret, says the chairman and president, Wellington Soong, a self-confessed anglophile and Jaguar obsessive, was a shrewd assessment of which way the market was headed.

"I am basically a marketing person and I think I have read the pulse of the market's preference pretty well," he says. "First of all it is looking for a new brand. With all respect to BMW and Mercedes, they are now taken for granted here and the narrow band of the élite is less interested in them. Finally, the economy is very robust and there is now so much wealth in the economy that new fortunes are being made all the time."

One could argue that a Filipino needs a fortune to buy a Jaguar. Punitively high import charges add about 120 per cent to the cars' showroom cost. Prices start at 3.85m pesos ($146,000) for the XJ6, ranging to a princely 5.8m pesos ($220,000) for the new XK8.

Next to posh-car prices in neighbouring countries, however, those in the Philippines are not excessive. According to Steve Watts, Jaguar's Singapore-based regional manager, Singapore imposes a 175 per cent levy on luxury cars, Thailand 258 per cent and Indonesia as much as 300 per cent.

Watts points to Jaguar's association with the US in Filipino minds as an important factor. The west coast of the US, where Jaguar is well known, is home to the largest number of Filipinos outside the archipelago.

A chief selling point locally is its new state-of-the-art service centre.

Jaguar has also set up a database of the 100 or so existing Jaguar owners who need someone to go to for maintenance, repair and restoration work. "I think the important thing is to tell the market that we are here to stay," says Soong.

Jaguar hopes to cater to the rapidly growing number of extremely wealthy executives based in Manilla. And, like many Asians, successful Filipinos like to show their money. A Jaguar, says Soong, offers the unusual combination of status symbol and understatement in one product. "If I'm driving a Jaguar into a hotel forecourt, the doorman will always give me a 'Wow, boss!' You don't get that reaction in a Mercedes anymore."

In the 1970s Jaguar tried to make inroads into the Philippines but saw its efforts frustrated by high import duties, poor economic conditions, weak marketing and after-sales service, and lack of spare parts. And it was an ailing company before Ford came to its rescue.

Jaguar now sees the Philippines as Asia's third-fastest growing economy, and hopes to have five dealerships there by 2000, including three outside Manilla. Launches in Indonesia, India and Sri Lanka will follow soon.

A case for Science of Sport

A delicate balancing act between science and commerce is underway at the Science Museum in London, which this week launches one of its largest temporary exhibitions to date – Science of Sport – in collaboration with eight commercial partners.

The show is designed to appeal to the widest audience, to extend the museum's appeal beyond its traditional middle-class customer base.

The Science Museum was one of the first big London museums to introduce an entry charge, in 1988. It has since expanded its marketing department to develop revenue-earning activities that include retailing, merchandising, licensing and corporate hospitality.

Sponsorship – once little more than corporate patronage – is now run in an overtly commercial manner. Meanwhile, the museum has updated and expanded its permanent exhibits, placing increased emphasis on interactivity and on visitor participation.

Temporary exhibitions now have an important role to play in generating secondary revenue, and by broadening the appeal of the museum, says Hugh Roderick, its head of marketing and communications.

"Our first toe in the water was the *Star Trek* exhibition last year," he says. That attracted 240,000 visitors in just five months. Science of Sport, which will run for 19 months, is expected to attract about 1.5m.

"Science of Sport will have very strong science content, but will also significantly broaden the museum's appeal," says Roderick. "We still attract a heavy preponderance of middle-class families. Where we're less successful is teenagers and lower income groups who are not as naturally motivated to visit 'great institutions'. Our priority is to appeal to these people as well."

Teaming up with an impressive collection of household brand names – ranging from Adidas, Bausch & Lomb, Foot Locker and Seiko to the National Basketball Association and Lawn Tennis Association – was not so much a matter of commercial expediency as an opportunity to improve the content of the event and promote it more widely, says the museum's head of business development, Mark Sullivan.

Shredded Wheat, for example, is participating in the Food for Sport section. It will also run promotions to promote the event. Adidas is providing materials for exhibits from its museum in Germany. Adidas-sponsored sports personalities will also be featured.

Mitsubishi is using the exhibition as a platform for its mobile telephones. "As a technology-based company, our maxim is 'technology for life'," says Mitsubishi's Peter Elliott. "We're not so much looking for a ringing endorsement of our product as an association which gives us credibility."

The museum will continue to hone a consumer-focused, market-led approach. Success, however, will also depend on careful brand stewardship, it says. Only in this way will it meet the expectations of its own management as well as customers and sponsors.

Meg Carter

Tim Jackson

WebTV waits for green light

What a difference 3,000 miles of water make. In Europe, people still talk about the "superhighway", a mythical broad-band network of the future connecting households to a range of video, music and home shopping services. Judging by their commercial trials, many European cable and phone companies hope to control the commercial and technical interface of the superhighway.

In the US, by contrast, the debate has moved on. Most American business people recognise that the Internet's momentum is unstoppable. So much creativity and capital has already been poured into the development of Net content, software and hardware that any future broadband network will have to complement the Net, not compete with it.

But there are still entrepreneurs betting that the Net will gain mass acceptance only when "liberated" from the PC and delivered to televisions – to the sitting room rather than the home office. One of the most promising is Steve Perlman, a high-energy technologist whose career includes spells at Apple Computer and General Magic.

Perlman is the founder of WebTV, a company based in Palo Alto, California, that has developed technology allowing today's World Wide Web pages to be viewed on today's home TV sets using today's infrastructure. His device, whose basics were developed in a few days, reformats the data in a web page and turns it into a signal that fits the standard American TV picture.

Perlman raised money from Microsoft co-founder Paul Allen in 1995, and has since attracted $65m (£40m) in start-up funding, including money from Citicorp, George Soros Capital, Times Mirror, Seagate Capital and Microsoft itself. His technology has been licensed to Sony and Philips, both of which have boxes on the shelves of consumer electronics stores across the US, priced at slightly more than $300.

WebTV is easier to install than a PC. You connect a grey box into the back of your VCR, and plug it into a power socket and a phone socket. The television displays a sign-up screen asking for name, password and credit card number. From then on, the machine connects automatically via the phone line to WebTV's server using a local Net service provider, allowing you to surf the web using a TV remote control.

Pages download more quickly than on a PC, because the WebTV device compresses the data more. The company also caches thousands of popular web pages on its servers, reducing wait times. Customers can send and receive e-mail, composing their messages either using an optional $70 infra-red keyboard or (painfully slowly) using the remote control alone. A red light on the box tells you when you have messages waiting to be read.

Perlman's objective is to maximize the size of the company's audience, and to try to capture as many of the advantages as possible that a proprietary network might have. Customers pay a monthly subscription of $19.95. WebTV also sells ads on its home page, and exacts a share of ad revenue from web site owners who choose to become its partners. When subscribers look at other web sites that don't bring in revenue, WebTV can interrupt their surfing to display an ad – just like broadcast television.

The company also aims to make money from transactions and premium services.

The boxes have been in the stores for five months now. Perlman is coy about sales, but analysts believe the total to date is less than 100,000. In Net terms, this is a blip; Microsoft expects as many customers to download a new piece of software every week. For consumer electronics, it's more impressive. Sony shifted 35,000 WebTVs in the first two months after launch, a figure that took a year to achieve when CD players first came out.

WebTV is a brilliant achievement. But its commercial future depends on two questions. One is price. US makers of PCs are now selling home machines for $995, half what they cost when WebTV was first conceived. Every year, PCs get easier to use. They can already play audio CDs. Once TV reception on PCs becomes standard, the price premium over WebTV will look more defensible. Since 90 per cent of WebTV owners buy the optional keyboard, many of them may start to crave the storage and processing power available only from a "real" computer.

The other worry is telephone charges. Outside the US, phone companies in most industrial countries charge for local calls. So a two-hour evening surfing session adds $5 to the phone bill – more than the cost of renting a video.

Perlman claims to have technology in development that resolves this problem. If he is right, WebTV may make a splash in Europe and Asia. If not, the cable companies may make the big money from putting the Web into TV.

tim.jackson@pobox.com

Cyber sightings

● Société Générale, France's largest privately owned bank, is the most recent European bank to join the Web, at *www.socgen.com*. With performance statistics and background on all its mutual funds (unit trusts), the pages would be just a standard corporate site were it not for the (well-hidden) gem: a searchable calendar giving bank holidays for nine major countries until 2007.

● Software company Unisys has established *www.internet-banking.com*, a useful survey of the status of Net banking in Europe. Complete with a "finance barometer" and reviews of bank sites in English, French and German which provide technical details of the services available.

● The International Monetary Fund is slowly digitising its pamphlets and now offers the complete text of all working papers online, with more publications being added all the time. A search of all titles in print can also be carried out. It has adopted Adobe's portable document format (PDF) to distribute information, which requires the download of a (free) piece of software from *www.adobe.com*.

● The central bankers' central bank, the Bank for International Settlements, is also using PDF files at *www.bis.org*.

The charters and conventions governing the bank are presented with an excellent explanation of the bank's role, but the main focus of the site is the publications section, offering working papers and other documents.

● The Simon Wiesenthal Centre *(www.wiesenthal.com)* has compiled a database of more than 1,500 Swiss bank accounts frozen since the second world war, and is inviting those who suffered from the Holocaust, and their heirs, to join its class action suit against Swiss banks. The site also features an online tour of the Museum of Tolerance.

● Today we find out who can really swing it in Hollywood, when the Oscars are announced. The official site *(www.oscar.com)* promises live coverage and transcripts, and film buffs can dig for trivia in the files of the Academy *(www.oscars.org)*.

steve.mcgookin@ft.com

BUSINESS TRAVEL

Travel News · Roger Bray

Smoke screened

Two of the world's biggest airlines, American and United, will complete blanket bans on smoking this summer. From July 1 it will be forbidden on American Airlines' flights to and from Latin America and Japan. Mexican services where smoking is still allowed will also come under the ban.

On the same day, United will banish smoking from its flights to and from Asia and Latin America.

Smoking has long been prohibited on US domestic flights. Hans Mirka, American's senior international vice-president, says: "It's obvious that the airline marketplace is moving in the direction of a totally smoke-free environment. A growing majority of our customers tell us they want non-smoking flights regardless of where they're flying."

Size is everything

Complaints from passengers that some business travellers were hogging the overhead bins with excessive carry-on baggage have prompted a clampdown from KLM. Formerly the Dutch airline asked business class passengers to restrict themselves to a small bag. Small extra items such as laptops posed no problem but, according to the airline, some customers were "pushing their luck and seeing what they could get away with".

So KLM has now formalised limits, imposing a maximum of one suitholder or overnight bag with a maximum weight of 10kg, a briefcase or other bag up to 8kg, a laptop, umbrella, camera and reading material.

Size will also matter. The main bag must be no larger than 55cm x 35cm x 25cm, for example. And to ensure the rules are not abused, it will be measuring cabin luggage.

Osaka opening

Ritz-Carlton is to open a five-star luxury hotel in the Japanese city of Osaka in May. The company says this will not be what the hotel industry calls a "soft opening" with some facilities not yet available. Everything will function from the word go.

The 292-room development occupies 30 floors of a 190m-high skyscraper in the Nish-Umeda district, and is 25 and 50 minutes respectively from two international airports – Osaka itself and Kansai.

Tax troubles

Expect confusion when the UK government's increased premium tax on travel insurance takes effect on April 1. Cover sold in association with travel will attract tax at 17.5 per cent, while policies sold direct or through non-travel retailers, such as banks, will have the tax levied at 4 per cent.

Graham Setterfield, American Express head of insurance services for Europe, says it will sell policies at the lower tax rate if customers call direct – but not if the cover is related to other travel arrangements booked through one of its retail agencies. How this rule will be policed remains a mystery.

The chain in Spain

The French Accor group has signed a partnership deal with Madrid-based NH Hoteles to develop what it claims will be Spain's first budget hotel chain.

The plan is to open 60 Ibis hotels over the next five years, mainly around the capital and other leading cities.

When small is beautiful

Executives are increasingly turning away from big anonymous hotels in favour of a more personal approach, finds **Amon Cohen**

Large, branded hotel chains are little better than the devil you know. They offer a recognised level of service, and business travellers and their agents know how to book them. But many travellers despair of these luxury prisons with their endless corridors, controlled atmosphere and anonymous furnishings. Above all, they tire of cheerless, impersonal service.

For Mike Gilmour, who runs BBS Europe, an advertising production consultancy, the turning-point was when he billeted 13 technicians and himself at a hotel in Grimsby, in the north of England, belonging to a leading UK chain. During dinner, he developed a headache and went to the front desk to ask for an aspirin. When the receptionist told him the aspirin would cost 20 pence, he vowed never to use the chain again.

"The multiple hotels are seriously impersonal and uncomfortable," says Gilmour. "They have done their research and decided this is what you want. If you don't like it, tough. I always ask my travel agent to find me a small, independent hotel, where I can open the window rather than use the air-conditioning, and where I can get a cup of tea with a minimum of fuss."

Gilmour's sentiments are shared by David Flinders, a director of Future State Technology, a security industry software company. He had been staying intermittently, but not particularly happily, at a chain hotel while working for a client in Surrey. About a year ago, the hotel was full when he needed a room and he was given a list of alternative accommodation in the area.

He chose The Cranleigh Hotel in Reigate, a 10-room independent hotel, and has used it ever since. The Cranleigh is owned and run by the Bussandri family and offers a restaurant, conservatory, garden, orchard, swimming pool and tennis courts for £55 per night for a single person.

"It is more like home," says Flinders. "It is warmer, more friendly and there are always people to chat to. Furthermore, it is better value. The larger hotels are too expensive for what you get." Carol Bussandri says she goes out of her way to create a homely atmosphere that makes a marked contrast to larger rivals at nearby Gatwick Airport. "The big chains offer everything except company," says Bussandri, who estimates that 80 per cent of her guests are business travellers. "Our regulars look forward to meeting each other and they even visit the pub together. We also put people together at dinner if they turn up on their own."

Many of the business travellers who use hotels such as The Cranleigh work for or run small independent companies themselves. Employees of multinationals are more likely to be constrained in their choice by corporate travel policy, obliging them to use hotel chains with which their travel department has negotiated worldwide rates.

However, employers as well as employees are waking up to the virtues of the small independents. One such is Ikeda Technology Europe, an Anglo-Japanese automotive design and development company based in Newcastle upon Tyne.

"We almost invariably use small, independent hotels," says company secretary Loraine Holdcroft, who is due to chair the Institute of Travel Management. "They are more flexible in their negotiations on room rates and our travellers receive extra personal attention." The independent hotels are also popular with Ikeda staff. "I tend to feel uncomfortable in larger hotels, as if I am there to serve them rather than to be served," says principal engineer Al Barclay. However, Ikeda does resort to chains when employees visit unfamiliar destinations because a known brand guarantees levels of service and comfort.

This is the crucial question for independents: how do they let business travellers know they exist and are of a dependable quality? For some, the answer is to join a consortium. The Cranleigh, for example, is a member of the UK version of Les Routiers, the French hotel and restaurant marketing consortium. The UK franchise has 800 hotels with restaurants and 120 guesthouses – all inspected – on its books and it lists 280 of those it judges suitable for business travellers in a directory called Corp-a-Rate. Anyone who buys through Corp-a-Rate is guaranteed at least 5 per cent off the normal tariff. Managing director Gordon Wilson says the hotels range between one and four stars, with most falling within the two-star to three-star categories. Expect direct-dialling telephones at most of them but not in-room fax machines and modem sockets.

Les Routiers properties can be found on a Microsoft route-planning CD-Rom called Autoroute Express and can also be booked through the HotelWorld Internet site: *http://www.hotelworld.com*.

For those who arrange their trips through a business travel agent, making a reservation can be more difficult. For economic reasons, hotel bookings are increasingly made via the airline computer reservations systems found in every agency. Unfortunately, few independent properties are on the systems because the cost of joining is prohibitive.

Aireo, a subsidiary of Utell, a hotel reservations company, claims to have solved this problem. It has devised a simple plug-in to the system that directly connects the hotel's PC to its parent company's computer system. Hotel distribution technology expert Mike Gates, a consultant on the project, says 100 small hotels have already subscribed and he expects many more to join. According to Gates, 95 per cent of the 28,000 hotels in the UK have fewer than 50 rooms.

Yet in spite of the proliferation of electronic marketing and distribution, there is no replacement for personal recommendation, which is how The Cranleigh gains most of its new customers.

Chris Turnbull, joint managing director of Scholefield Turnbull and Partners, Gilmour's preferred travel agency, warns against random selection of unknown hotels. "You have to be careful – you can get dubious quality," he says.

"I make it my job to find hotels I can recommend or I will ask clients for their suggestions." Turnbull has used the same small three-star hotel in Paris for 30 years and now sends Gilmour there regularly. "There is a bad side to the hotel which overlooks a supermarket but from the good side you can see the Eiffel Tower," says Gilmour. "The service, though slow, is charming and hassle-free. What more could you ask from a hotel in Paris?"

US pilots reaffirm April 28 strike

The Allied Pil[illegible] Association in the US [illegible] reported progress in res[illegible]ing a dispute with Ameri[illegible] Airlines over commu[illegible] flights, but its bo[illegible] adjourned until April [illegible] without deciding whethe[illegible] back a new contract p[illegible]posal from American. [illegible] APA added that it would [illegible] make any more conces[illegible] to avert a strike by its pi[illegible] set for April 28.

The union said the i[illegible] of who is to fly the [illegible] small jets which Amer[illegible] plans to buy for its feed[illegible] carrier, American Ea[illegible] remained the most con[illegible]tious in its discussions [illegible] with American.

● A huge rock slide a[illegible] 60km south of Salzb[illegible] Austria, destroyed par[illegible] the only road to a ski [illegible] hiking area, leaving h[illegible]dreds of people isolated.

● Domestic airlines [illegible] China face pressure [illegible] merge from the civil a[illegible]tion authorities in [illegible] attempt to boost efficie[illegible] Rapid economic grow[illegible] especially along the eas[illegible] and south-eastern coa[illegible] regions, has spur[illegible] demand for air services, [illegible] some airlines alre[illegible] co-operate.

Victoria Griffith investigates how poetry and painting can make better bosses

Art for management's sake

April Butcher is an aspiring venture capitalist and a first-year MBA student. So what is she doing hoisting painted dummies up in a glass-covered atrium?

Actually, she's completing her required course work at Babson, a business school located in a Boston suburb. As part of their two-year course, Babson students are expected to take part in the university's "creativity module" – a five-week course in disciplines such as poetry, the theatre and painting.

Business schools have traditionally considered knowledge about the arts valuable only as cocktail party conversation. Yet Babson sees its creativity module as a way to impart lessons about the business world itself. "We're not aiming to turn our students into artists," says William Glavin, Babson's president. "We're trying to throw them off the deep end, to place them in a situation they've never been in before and say 'Do it'. That will probably happen to them at some point in their career."

Many business school students, Glavin believes, love to play it safe. They live in a world of cash flow charts and spreadsheets and are intent on finding "correct" solutions. "They come here because a career in management offers financial security," says Glavin. "Too often, they haven't left much room for ambiguity in their lives."

Babson aims to show students that a career in management is full of grey areas. To boost the discomfort level of the creativity sessions, the school randomly assigns students to courses.

Mary Pinard, who teaches the particularly unpopular poetry section, sets aside 15 minutes of the first meeting for letting students vent frustration at having been placed there. "Usually, they talk about how much they hate poetry and how they can't imagine themselves writing a poem," says Pinard. "It's useful afterwards, when they manage to do it, because it shows they are capable of so much more than they think."

Pinard stays away from the rhymes that intimidate so many, and focuses instead on images and syllable counts. Students are also asked to complete each others' poems, to build up a team atmosphere.

Team work, in fact, is a key theme of the creativity module. Most projects are conceived and presented by the entire class. Butcher says the floating dummy installation was an artful pooling of ideas. "One person wanted to throw confetti, and another wanted to hang written expressions beside them," she explains. "We ended up throwing the written expressions like confetti."

During the presentation, onlookers were asked to pick up these sayings – things like "My favourite colour is blue" and "Where are the women?" – from the floor, in an effort to get them to see the installation in different ways.

Students say they have learned to value the creativity module as an important part of their business school experience. "When I'm out in the work world and in a situation where I feel out of my depth, I'll remember this," says Christopher Chandor, who was originally mortified to land in the poetry section. "People complimented me on my final poem, which was about climbing a mountain just before sunrise. After I got over my initial fear [about writing the poem], I just went with my instincts."

Babson students say the module also gives them an important sense that their colleagues are very creative people. Because the creativity module receives the highest student rating at the school – scoring nine out of a possible 10 points – there has been some talk of expanding the section. Yet, since so many other courses have to be squeezed in, that seems unlikely.

Says Glavin: "This is, after all, a business school."

Students on Babson's MBA course gather in front of their artistic endeavours in the college atrium

NEWS FROM CAMPUS

Students for hire on overseas projects

If you want to break into a new market you could hire an expensive team of consultants to draw up a strategic plan. Or you could turn to a group of MBA students.

Sixty students from the Haas school at Berkeley in California will soon be working in teams in Russia, south-east Asia and South America to investigate international business development there for a range of companies, including blue chips such as Motorola, Levi Strauss and Citibank. Final reports are sent to client organisations in late summer.

Haas: US, 510 642 8228

From bank to business school

The management school at Imperial College in London is introducing a one year full-time MSc course in finance from this autumn.

The programme will be led by David Miles who has joined the school from Merrill Lynch, where he was chief UK financial economist.

Miles was previously an adviser to the Bank of England.

Imperial: UK, (0)171 589 5111

Technology gives strategic edge

Price Waterhouse and interactive technology specialist Xebec have developed an off-the-shelf CD-Rom course to provide training in strategic management. *Business Strategy* covers the strategic planning process using dramatised and real-life case study companies.

Xebec and Price Waterhouse are already selling a CD-Rom training course on marketing.

Xebec: UK, (0)1453 836 135

Executive changes at the top at MBS

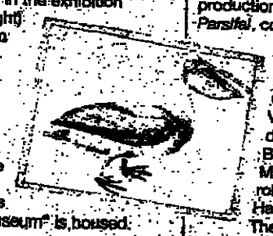
Ian Tanner has been promoted from deputy director to director of the Executive Centre at Manchester Business School in the UK. He replaces Jeff Ramsbottom who is continuing to work for the centre.

MBS: UK, (0)161 275 6333

ARTS

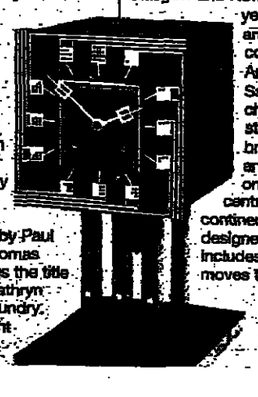
OPENINGS

EDINBURGH
An exhibition inspired by one of the most remarkable projects in the history of collecting opens at the National Gallery of Scotland on Thursday. It reflects the encyclopaedic range of interests of Cassiano dal Pozzo, a connoisseur at the cutting edge of scientific and antiquarian studies in 17th century Rome. All the works in the exhibition (below, right) come from the Royal Library at Windsor Castle, where the most impressive part of Cassiano's "paper museum" is housed.



ST PETERSBURG
On Sunday the State Hermitage Museum presents a retrospective of Jan van Eyck, the leading artist of the early Netherlandish school. It runs till May 15.

PARIS
The Opéra Bastille celebrates Easter with a new production of *Parsifal*, conducted by Armin Jordan, staged by Graham Vick and designed by Paul Brown. Thomas Moser sings the title role, and Kathryn Harries is Kundry. The first night is Friday.



CHICAGO
A comprehensive retrospective of Scottish architect and designer Charles Rennie Mackintosh, first seen in Glasgow and New York last year (below, left and right), comes to the Art Institute on Saturday. It charts his stylistic breakthroughs and influence on early 20th century continental designers, and includes reconstructions of some of his interiors. The show moves to Los Angeles in August.

BERLIN
Julia Varady makes a welcome return to the operatic stage on Thursday, singing the part of Senta in a new production of Wagner's *Der fliegende Holländer* at the Deutsche Oper. Varady, one of the leading sopranos of our time, has not sung in a stage production since last summer, when illness forced her to cancel her engagements.

WASHINGTON
The National Gallery of Art has mounted a large-scale exhibition of Picasso's early work, ranging from his formative early years in Barcelona to the monumental figure pictures he painted after settling in Paris in 1904. The exhibition opens on Sunday and runs till the end of July.

LONDON
A special memorial concert for German composer Berthold Goldschmidt (left), who died in London last October aged 93, will be given on Thursday at the Wigmore Hall, featuring Gervase de Peyer, Chantal Juillet, Kolja Lessing and other distinguished soloists.

On Maundy Thursday Ian Holm (left, with David Burke) – in the 1960s, a central member of the young Royal Shakespeare Company – returns after many years to playing Shakespeare, as King Lear, at the Cottesloe Theatre. The director is Richard Eyre; the cast also includes Timothy West, Michael Bryant, and Barbara Flynn.

The Orient moves west to Big Apple

Susan Moore finds all the top dealers and collectors at the second International Asian Art Fair in New York

Never before can there have been such a rich concentration of world-class Far Eastern, Indian and south-east Asian works of art on show and up for sale in a single city. It is unlikely, too, that there has been so many of the world's specialist dealers, collectors and museum curators in evidence to buy and sell, see and be seen.

At a roughly estimated $250m worth, the spectacle drawing the crowds is the International Asian Art Fair, at the Seventh Regiment Armory on Park Avenue until Wednesday. Although only in its second year, it has become the established focal point for a season of auction sales and dealer exhibitions. At the beginning of the week, Sotheby's and Christie's previews for the Asian auction were deluged; and the gallery temporarily rented on East 78th Street by the London-based dealers Eskenazi for an exhibition of Han and Tang dynasty Chinese ceramic sculpture, the most magnificent of the dealer shows, was crammed.

Eskenazi sold nine objects for a total of $1.8m that night, plus additional pieces on show upstairs. Two days later, Christie's Part 11 sale of the Jingguantang collection – formed by the Hong Kong businessman and philanthropist T.T. Tsui, the sponsor of, among other things, the Victoria & Albert Museum's new Chinese gallery – fetched over $6m, nearly £4m. The first thing to arrest the eye at the Armory fair which opened on Friday was a life-size five-figure group of 13th or 14th-century vividly painted stucco Chinese temple figures on the stand of London dealers Speelman, and with a price tag of $4.2m. More discreet were the six pieces of rare, early Chinese lacquer from a collection of 19 on offer by R.H. Ellsworth for a cool $11m.

Any visitor might well reel at the quantity and quality – and the remarkable breadth – of the works of art on offer in Manhattan: ceramics and sculpture, metalwork and textiles, paintings and prints, Chinese, Japanese, Indian, Tibetan, Ghandaran, Korean, Ottoman, Khmer. But this week also marked the shift to New York of the Oriental art market from its traditional base in London.

For while London still has the pre-eminent expertise in terms of its dealers, it is New York that has the buyers, and it is New York where sellers and buyers are increasingly choosing to conduct their business as the proposed "harmonisation" of VAT on imports of works of art into the EC promises to hammer the final nail into London's international art-market coffin.

At the Armory fair the group of 58 exhibitors, drawn from nine countries, embraces most of the leading dealers in the west, and some in the east; and over a third have come from London. Last year, exhibitors sold between a quarter and three-quarters of their stands, American museum trustees spent millions, and the London trade appears to have decided that its success is more likely to lie in New York in March than in London in June. Giuseppe Eskenazi, one of the trade's most respected dealers, believed he would never hold a show outside London. But, if ever faced with a shortage of top quality material for gallery shows in both London and New York, he is now saying that he would sacrifice London, "which is a terrible, terrible thing to say after 37 years". Some have crossed that bridge already. The show Sidney Moss planned to stage in London this summer is now here in Armory. And it is not only the dealing expertise that is imported; the fair's organisers, Brian and Anna Houghton, come from Britain.

At Eskenazi's 'Ceramic sculpture from Han and Tang China', three earthenware kneeling figures, possibly mourners, from the Western Han period (206 BC to 9 AD)

Earlier this century, London boasted the great collections of Oriental art and produced several of the most distinguished scholars and dealers through its position as the clearing house of world art. "The last great collectors in Britain were gone by the 1950s," says Eskenazi. "They have not been replaced" – although, remarkably, three of the archaic bronzes in the Jingguantang collection were bought by London dealer Roger Keverne for an English collector for over $2m. From then on, interest moved to the US and now there are more Asian art museums or museum collections in America than in the whole of Europe.

In the late 1970s and early '80s, the Japanese began to outbid western collectors in certain areas, and since then collectors from Hong Kong and Taiwan have risen in tandem. New York, however, remains the pre-eminent market place for, say, archaic Chinese bronzes, pottery figures and other tomb art, and for classic Ming and Qing period Chinese furniture – and it is not only for westerners. One of the fair's 15 new exhibitors this year is Uragami Sokyu-Do from Tokyo. "The domestic market in Japan is very good," says Uragami, "and most dealers only leave Japan to buy. I'm the only dealer trying to sell abroad. New York is becoming more and more the centre of this market."

The fair is the effect rather than the cause of a rising New York market. Christie's and Sotheby's auctions last autumn realised an unheard of $56m. A record $8.4m was paid for a Korean jar, and over $11m was raised by the sale of the most important collection of classic Chinese furniture ever to come to the block – a collection from Renaissance, California which has given the term "post-Renaissance" a confusing new slant – and both areas are, in auction-speak, hot. Dealer Nicholas Grindley reported that 60 per cent of the furniture he was bringing to New York was reserved even before it arrived here. "A year or so ago," he observes, "the new rich players were from Hong Kong and Singapore. Now they seem to be from Wall Street and previously collecting antiquities and modern art."

More and more buyers of works of art are beginning to realise that Asian art, or at least some aspects of it, offer unparalleled opportunities for buying museum-quality works of art at prices which, however high, are a fraction of the prices of their western equivalents.

Theatre/**Alastair Macaulay**

Out of Africa on Cloud Nine

In the Old Vic's new production of Caryl Churchill's *Cloud Nine*, the acting is superlative and the play enthralling. Only last week, I wrote with some misgivings about the new Peter Hall repertory company; it is a pleasure to write of this, its second production, with unmixed delight. Three of the seven actors are also in the company's first production, *Waste*; one part of the fun of watching *Cloud Nine* is in seeing them here in such dissimilar roles. The director is Tom Cairns.

Cloud Nine, new in 1979, is a most peculiar play. It seems at first far more jejune than it proves, and it keeps changing. Act One is a hilarious caricature Victorian colonial household in Africa. Harry to Betty, his best friend's wife: "You have been thought of where no white woman has ever been thought of before." Betty: "I suppose that's one way of having adventures." Even the most adolescent jokes are funny, and the top-speed soap opera of its rapidly unrolling plot is so magnificently ludicrous that it reminds one of *Soap* itself.

Before the interval, Churchill has shown you a great deal of what she can do. She set out to illustrate the parallel between colonial and sexual repression, but long after you have got that point she still has you on tenterhooks. The mixture of reality and absurdity is very fine; the narrative twists are ingenious; the characters grow steadily more multi-dimensional; and there is just enough telling detail to make us care.

In Act Two, however, Churchill gives you another play altogether: a basically serious modern story – ever so *Brookside*, really – which expresses female and sexual liberation, but which, again, keeps deepening and varying its approach. It is shot through with mystery, it proceeds with dreamlike fluency, and, most beautifully, it allows each character, even while he or she grows more complex and more poignant, to remain an unanswered question.

In an odd way, Churchill's play dramatises the Whig theory of history: although she does not make her modern characters any more happy than her Victorian ones, she does make us feel that they have more opportunity for self-discovery.

The seven actors, playing two contrasting roles each (in one case, three), make every dimension of the play marvellous. In each act, one or two roles are played *en travesti*. When a male plays the Victorian Betty, we see (in the first minute) that this "feminine" character is a male construct; and yet Dominic West's performance shows not just repression but also force. The way that he/she, lowering his head and batting huge Bambi eyes *à la* Princess Diana, stalks Harry, aflame with desire, catches every level of Churchill's satire. Betty's little son, however, is played by a girl; and Janine Duvitski's wide-eyed innocent/malicious performance shows, just as richly, how much enforced male role-playing actually prompts feminine impulses to erupt. In Act II, Tim McInnerny plays Cathy, a huge, irrepressible, gawky girl; and the gleeful violence with which he makes this tomboy real is wholly intoxicating.

Andrew Woodall makes Harry – the great explorer (in *every* sense of the word) – perhaps the most touching character in Act One. Though sexually embroiled with men, women and children, he is guilty, vulnerable, noble; and this heightens the comedy. Marion Bailey plays three different kinds of women who do not need men, two of them lesbian, and ideally judges the anguish and absurdity in each. I hope I never forget the aggression with which Clare Swinburne, as Betty's Victorian mother, clouts her granddaughter's doll ("just a *little* smack"); or the rounded, divided, nature she presents as Victoria in Act Two. Or the soliloquy about sexual desire spoken by Duvitski as Victoria's mother. Stephen Noonan plays the most enigmatic role in either act – a native servant, and a gay loner – and his inscrutability at every moment is perfect.

Detail upon detail enchants. The way the native servant Joshua guts little Edward's doll; and the way Edward, as if hypnotised, watches him do it. There is a sex scene for a man and two women so lifelike – amusing, crazy, ardent, touching – that I wanted to join in. (Instead, another male character does.) "I want you to have the rolling orgasm I give to other women," Victoria's husband Martin says to her, with enough anger to make anyone frigid. In everything here, contradictions of feeling and character and desire are wittily and movingly memorable.

In repertory at the Old Vic, SE1.

INTERNATIONAL ARTS GUIDE

■ AMSTERDAM

CONCERT
Concertgebouw
Tel: 31-20-6718345
● Matthäuspassion: by Bach. Conducted by Thijs Kramer and performed by KCOV Excelsior, the Amsterdams Promenade Orkest and the Zaans Jongenskoor. Soloists include Marten Smeding, Nanco de Vries, Karin ten Cate and Myre Kroese; Mar 24, 25

■ ANTWERP

DANCE
deSingel Tel: 32-3-2483800
● What the Body does not Remember: choreographed by Wim Vandekeybus to music by De Mey and Vermeersch, performed by Ultima Vez; Mar 25, 26, 27, 28

■ BERLIN

CONCERT
Philharmonie Berlin - Grosser Saal & Kammermusiksaal
Tel: 49-30-2614383
● Staatskapelle Berlin: with conductor Daniel Barenboim and violinist Itzhak Perlman perform works by Schoenberg, Stravinsky and Schubert. Part of the Festtage 1997; Mar 26

OPERA
Deutsche Oper Berlin
Tel: 49-30-3438401
● Aida: by Verdi. Conducted by Stefan Soltesz, performed by the Deutsche Oper Berlin. Soloists include Ute Walther and Vladimir Bogachov; Mar 26
Komische Oper
Tel: 49-30-202600
● Hoffmanns Erzählungen: by Offenbach. Conducted by Weigle and performed by the Komische Oper. Soloists include Schellenberger, Wulkopf and Nicolescu; Mar 26

■ DUISBURG

EXHIBITION
Wilhelm-Lehmbruck-Museum
Tel: 49-203-2832630
● Richard Long: exhibition of work by the English artist, including four of his large floor sculptures made from natural materials such as driftwood and a number of works on paper; to Mar 30

■ FRANKFURT

CONCERT
Alte Oper Tel: 49-69-1340400
● The Schubert-Oktett and Forellenquintett: accompanied by pianist Zoltán Kocsis perform works by Schubert; Mar 25

EXHIBITION
Jahrhunderthalle Hoechst
Tel: 49-69-3601240
● Das Städelsche Kunstinstitut und das Museum für Moderne Kunst im Dialog: a joint exhibition of contemporary art organised by the Städelsche Art Institute and the Museum for Modern Art, Frankfurt. Artists with work on display include Beuys, Giacometti, Klein, Slominski and Uecker; to Apr 13

■ LONDON

AUCTION
Bonhams Tel: 44-171-3933900
● Fine Portrait Miniatures: sale including works by Charles Robertson, Nathaniel Horne, Johann Heinrich von Hurter and William Cruickshank; Mar 25

CONCERT
Barbican Hall
Tel: 44-171-6384141
● Mitsuko Ochida: the pianist performs works by Berg, Schumann and Beethoven; Mar 26

DANCE
Royal Opera House - Covent Garden Tel: 44-171-2129234
● La Bayadère: choreographed by Natalia Makarova after Petipa to music by Minkus, performed by the Royal Ballet. Soloists include Miyako Yoshida and Irek Mukhamedov; Mar 26

JAZZ & BLUES
Purcell Room
Tel: 44-171-9604242
● Keith Nichols: performance by the English trombonist and pianist accompanied by special guests. The programme includes works by Ellington, Waller, Johnson and Carmichael; Mar 26

■ LOS ANGELES

EXHIBITION
Los Angeles County Museum of Art Tel: 1-213-857-6000
● Galanos: retrospective celebrating the 40-year career of Los Angeles-based designer James Galanos, whose construction techniques and finishing details are of the highest standards of French haute couture. The exhibition highlights 66 costumes mounted on custom-designed mannequins, which are shown along with original sketches and samples of the bead-work for which the designer is known. Galanos has received every major design award; to May 4

■ MADRID

EXHIBITION
Museo Nacional Centro de Arte Reina Sofia Tel: 34-1-4675062
● Robert Motherwell: exhibition featuring 80 works selected from American and European collections and including large paintings on canvas, collages and drawings; to May 5

■ MILAN

CONCERT
Teatro alla Scala di Milano
Tel: 39-2-88791
● Coro del Teatro alla Scala: with conductor Roberto Gabbiani perform works by Vacchi; Mar 26, 27

■ NEW YORK

EXHIBITION
MOMA - Museum of Modern Art, New York
Tel: 1-212-708-9400
● De Kooning in the Eighties: the paintings made during the 1980s by American artist Willem de Kooning constitute a largely unknown chapter in his career. With the exception of a small number of works shown in museums and galleries during the past decade, few of the paintings of the artist's final creative years have been seen by the general or even specialised art public. This exhibition contains about 40 paintings made between 1981 and 1987 chosen from public and private collections; to Apr 29

OPERA
Metropolitan Opera House
Tel: 1-212-362-6000
● Eugen Onegin: by Tchaikovsky. Conducted by Antonio Pappano, performed by the Metropolitan Opera. Soloists include Marina Shaguch, Clifton Forbis and Paul Plishka; Mar 27

■ PARIS

CONCERT
Salle Gaveau
Tel: 33-1 49 53 05 07
● Peter Frankl: the pianist performs works by Brahms, Schubert and Debussy; Mar 26
Théâtre du Châtelet
Tel: 33-1 42 33 00 00
● Philharmonia Orchestra: with conductor Esa-Pekka Salonen and violinist Frank-Peter Zimmermann perform works by Ravel, Ligeti and Bartók; Mar 25

DANCE
Théâtre de la Ville
Tel: 33-1 42 74 22 77
● Trisha Brown Company: perform "Création 1996" to music by Webern, choreographed by Trisha Brown and "M.O. 1995" to music by Bach, choreographed by Trisha Brown; from Mar 25 to Mar 29

EXHIBITION
Musée Picasso
Tel: 33-1 42 71 70 84
● Picasso, Les Sources Photographiques: 1900-1928: the third of a cycle of exhibitions illustrating the influence of photography on Picasso's work, covering the painter's Cubist and Surrealist periods. A number of paintings and graphic works are on display, including "La Famille Soler" (1903) and "La Baigneuse au Ballon" (1929); to Jun 9

■ VIENNA

OPERA
Wiener Staatsoper
Tel: 43-1-514442960
● Die Entführung aus dem Serail: by Mozart. Conducted by Fisch and performed by the Wiener Staatsoper. Soloists include Esposito, Schwabe and Vlasak; Mar 25

WORLD SERVICE
BBC for Europe can be received in western Europe on medium wave 648 kHZ (463m)

EUROPEAN CABLE AND SATELLITE BUSINESS TV
(Central European Time)

MONDAY TO FRIDAY

NBC/Super Channel:

07.00
FT Business Morning

10.00
European Money Wheel
Nonstop live coverage until 15.00 of European business and the financial markets

17.30
Financial Times Business Tonight

CNBC:

08.30
Squawk Box

10.00
European Money Wheel

18.00
Financial Times Business Tonight

Outsider in Moscow

John Thornhill on the appointment of Boris Nemtsov, a provincial politician, to the Kremlin's new reformist team

It took a lot of effort to persuade Mr Boris Nemtsov, the youthful governor of Nizhny Novgorod, to join the Russian government last week. The ambitious politician, often labelled as a future presidential candidate, was understandably reluctant to leave his cosy seat in one of Russia's more prosperous regions for the maelstrom of Kremlin politics.

The trade unions' threat to bring 20m Russians out on the streets this Thursday to protest about the government's late payment of wages and pensions can only have added to his doubts.

But the bulldozing charm of Mr Boris Yeltsin eventually prevailed. And so Russia's most popular reformer agreed to risk his reputation by becoming first deputy prime minister in charge of a politically explosive portfolio, including housing, social welfare reform and the regulation of the country's natural monopolies.

"I perfectly understand that my duty is that of a kamikaze pilot," Mr Nemtsov says in his characteristically sardonic style. "But fortunately not all kamikaze pilots are killed instantaneously."

As any calculating politician would have done in the circumstances, Mr Nemtsov wrung some significant commitments from Mr Yeltsin, including the promise of unrestricted access to the president, as well as his full and public support. The suspicion is that if Mr Nemtsov succeeds and the economy turns, he will be in a position to demand even more of the Russian president in future.

On a tour of the US four years ago, Mr Yeltsin hinted that Mr Nemtsov was his preferred heir. Many of Russia's democrats tried to press Mr Nemtsov into running in last year's election; they would surely rally round again in 2000, assuming he survives until then and decides to stand.

Nemtsov: political verve

The curly-haired, 37-year-old Mr Nemtsov joins a government formally headed by Mr Victor Chernomyrdin, the stolid prime minister, who once worked under Mr Nemtsov's father in one of the Soviet industrial ministries.

In practice, the critical axis in the government will be Mr Nemtsov's relationship with Mr Anatoly Chubais, 41, the standard bearer of economic reform and former head of the presidential administration, who was earlier this month appointed as the other first deputy prime minister.

> The puritan edge to his character should also play well among a population straining under five years of economic contraction

Some observers have seen the appointment of two such ambitious young ministers as a classic example of Mr Yeltsin's divisive style of politics, purposefully designed to create tensions within his team.

But Mr Otto Latsis, political commentator for the Izvestiya newspaper, disagrees, arguing that Mr Nemtsov's arrival in government bolsters Mr Chubais's chances of successfully implementing reform.

"Although Chubais lost his promise that he would be the sole first deputy prime minister, it is clear that Nemtsov is being included in the team not as a counterweight but as a partner," Mr Latsis says.

Mr Chubais has persuaded Mr Yeltsin to promote a team of young liberal ministers to more senior roles, lowering the average age of Russia's deputy prime ministers from 54 to 45 and giving the government its most reformist tinge since 1993. More "surprises" are promised before the government restructuring is complete.

With a reputation for the flamboyant gesture and a piercing wit, Mr Nemtsov should bring some much-needed political verve to the largely technocratic government team. He has been the toast of liberal Russia ever since a television debate last year when he squared up to Mr Vladimir Zhirinovsky, Russia's ultra-nationalist, after being doused in orange juice.

The puritan edge to Mr Nemtsov's character should also play well among a population straining under five years of economic contraction. Vowing publicly he would never steal, take bribes, or lie to the people – a clear sideswipe at some former and present government colleagues – Mr Nemtsov says: "When life is miserable for most people, it is not proper for the rulers to wallow in riches."

Mr Nemtsov's record in running his industrial region, 400km east of Moscow, suggests he will be a highly dynamic, hands-on manager in government. He played an active role in attracting foreign investors to his region, often giving executives his home telephone number to call in case they ran into bureaucratic difficulties.

With the help of the International Finance Corporation, the investment arm of the World Bank, Nizhny Novgorod became the very model of successful economic reform, leading Russia in privatising small businesses and undertaking agricultural restructuring.

He strongly encouraged the growth of the private sector and claims Nizhny Novgorod now has 100,000 private firms employing 20 per cent of the workforce.

His experience of local housing reform and his close ties to other regional governors should prove invaluable in attempting to cut Russia's bloated housing subsidies. His status as an outsider should also help him cut through the web of entwined economic interests which have hindered the government's attempts to tackle the country's powerful gas, electricity, and railway monopolies.

Some Kremlin insiders may be tempted to dismiss Mr Nemtsov as a naive provincial who will be eaten alive in Moscow. His reputation for being occasionally authoritarian and impulsive may also prevent him from building the institutional support that will be essential to implement change.

But Mr Nemtsov has been busy encouraging members of the liberal Yabloko faction, headed by his friend Mr Grigory Yavlinsky, to join him in government, giving him additional allies to fight his bureaucratic battles.

Mr Nemtsov might reflect that the challenges of civilising Russia's wild capitalism are immense and his chances of success correspondingly slim. But the consequences of failure are frightening to contemplate.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 [illegible] (from abroad dial 0 instead of +44 to "line"). e.mail: letters.editor@ft.com Published letters are also available on the FT web site, http://www.ft.com. Translation may be available for letters written in the main international languages.

Norwegian salmon producers have abused their relations with the EU

From Mr Phillip Thorn.

Sir, In your article "EU likely to impose duty on dumped Norwegian salmon", (March 19) you quote a European Union trade official as saying the fish processing industry is likely to lobby against such a duty as it wants an abundance of cheap fish.

They cannot be serious. What the EU processing industry requires is a sustainable and abundant supply of competitively priced salmon. Norway clearly has a role to play in providing that.

However, we are all kidding ourselves if we pretend that such long-term, stable supplies can be built on short-term producer subsidies and dumped Norwegian salmon.

That is the message that should be coming from the salmon processors in Denmark and Germany (and indeed would be, were many not owned by Norwegian interests).

The European Commission has diligently researched and responsibly reported on the position in Norway.

Its research demonstrates clearly that Norway has broken the rules and has taken advantage of the special trading relationship it enjoys with the EU to dump produce.

Having proved the case, the Commission must now act to impose a duty to restore a fair and free market.

A duty of 13-15 per cent is being discussed. At that level it would mean only a 3 per cent increase in the price of salmon products at the retail level – a small price to demonstrate that the EU market works for its members, not as cosy club but as an arbiter and enforcer of fair, free-market principles.

Phillip Thorn,
chairman,
Scottish Salmon Growers Association,
Drummond House,
Scott Street,
Perth
PH1 5EJ
UK

Specialised management skills are the key to success in conglomerates

From Mr Andrew Campbell.

Sir, Peter Martin's spirited "Case for conglomerates" (March 20), is built on a belief that good managers can manage anything. They cannot, as the daily failure of diversification strategies demonstrates.

The explanation for old Hanson or old BTR, for Virgin or GE, for Granada or ABB is not "good management". Each manages in a dramatically different way. If you put Jack Welch in charge of Virgin or Branson in charge of ABB, the results would be catastrophic. These conglomerates have been successful because they were built around specialised corporate-centre skills.

The bad conglomerates, the ones that need to break up, have no specialised corporate-centre skills. Unfortunately, despite Martin's belief in the market, there are large numbers of these over-diversified companies, as demonstrated by the current break-up epidemic.

Andrew Campbell,
director,
Strategic Management Centre,
17 Portland Place,
London,
W1N 3AF
UK

Kazakh prime minister central to changes in the structure of state-run enterprises

From Mr Amirzhan Kosanov.

Sir, After reading Charles Clover's article on reforms of state-run enterprises in Kazakhstan ("Kazakhstan sets up 'one-stop shop' for foreign investors", March 6), I would like to comment on a number of issues.

Structural changes to state management bodies form part of this initiative, and involve the prime minister, Mr Akirzhan Kazhegeldin. It is incorrect to talk of an ending of his influence.

The newly created Kazakh Oil company is one of many companies working in Kazakhstan, and its establishment as part of changes to state management bodies should not be considered extraordinary. It corresponds to market developments.

In 1995 Kazakhstan adopted the 1996-98 Government Action Programme for the Deepening of Reforms, which has been approved by the world's leading financial institutions. All current structural changes come under this programme.

Amirzhan Kosanov,
press secretary to the prime minister of Kazakhstan

Uncertainties abound over telecoms deal

From Mr Eric Simonson.

Sir, As a whole, I could not agree more with your summary of the World Trade Organisation telecoms accord ("New pact must be protected", March 19).

However, your report neglected to emphasise adequately the sheer complexity of the accord. The 69 signatory nations submitted 55 schedules outlining their individual "commitments" in detail. These vary considerably, not only in scope but in the timetables for implementation. Some nations reserved the right to modify their schedule.

Finally, the commitments are in many respects rather vague (such as promises to adopt regulatory structures consistent with a document setting forth general principles, known as the reference paper). While the accord promises to unleash an explosion of economic activity, it remains to be seen exactly how it will be implemented in practice.

Eric Simonson,
Kronish, Lieb,
Weiner & Hellman,
1114 Avenue of the Americas,
New York,
NY 10036-7798, US

Warning sign

From R. A. Ledingham.

Sir, There was a recruitment advertisement in the Financial Times of March 21 which featured the headline "LLB, MBA, ACA, VC – It is all corporate finance to us".

The last time corporate finance consultancies started making such crass statements was about two years before the wheels fell off.

R. A. Ledingham,
The Old Hat,
Preston Bissett,
Bucks MK18 4LN
UK

The FT Interview • **Tommaso Padoa-Schioppa**

New broom for bourse

The head of Italy's stock market watchdog outlines his plans to **Robert Graham**

The discreet aloofness of the Bank of Italy is a world apart from the rough and tumble of the bourse. But a fascinating meeting – and perhaps clash – of the two cultures is about to take place.

Mr Tommaso Padoa-Schioppa, the deputy director-general of the bank, takes over next month as head of Consob, the Italian stock market watchdog. It is an imaginative appointment for one of the most influential intellectual figures in European central banking, and raises expectations that the authorities will at last tackle a crucial area of the Italian financial system that urgently needs a shake-up with better regulation.

In spite of the 57-year-old central banker's prestige, his task will not be easy and he did not accept the job lightly. Until now he has been working in a relatively protected environment with politicians and businessmen at arm's length. Running Consob will shove him into the public eye and could pit him against the tight knit world of the *salotto buono*, the Milan-based financial establishment.

The Milan bourse, he believes, suffers from a lack of confidence among investors, which creates a vicious circle. "Lack of confidence makes markets difficult to use, both for demand [investors] and supply [companies using the markets for fund raising]," he says. "The higher the volume of trading, the greater the liquidity of the market; while the lower the volumes, the less liquid the market and therefore less transparent and the greater the room for malpractice."

In spite of the passage of laws on takeovers and insider trading since 1992, the bourse has not shaken off its reputation as a fiefdom of an inward-looking financial community that treats small shareholders shabbily. In a recent speech Mr Padoa-Schioppa highlighted the concentration of share ownership and the illiquidity of most quoted companies. Three-quarters of all dealing involves the main 30 companies.

Tommaso Padoa-Schioppa: aims to target insider trading

Cracking down on insider trading is a key component of reform. But he believes this must be accompanied by tightening up on disclosure, educating public opinion, eliminating bureaucracy and exerting greater regulatory control in a more liberal environment. At the same time the authorities must provide a competitive tax environment for investment on the stock exchange.

He talks of Milan as being a "second tier" bourse. In each of the world's three time zones, he believes there is space for only one top level centre. "London plays this role in Europe in view of its long tradition as a financial centre," he says. In the second tier he sees room in Europe for four to six centres, the main ones being Frankfurt and Paris. "We must ensure Italy plays its best cards in this respect."

Until now, Milan has under-utilised its potential. But he believes it can benefit from the strong savings record of Italian families which have traditionally invested in treasury bonds. In an increasingly secure society people want to rely less on this type of investment and look for equity returns.

Also, he observes: "Financial markets are drawn by supply more than by demand – Italy created a big debt market as it needed to fund the public sector deficit. Why should the programme of privatisation not stimulate the bourse?"

Mr Padoa-Schioppa's experience of financial regulation is considerable, though so far largely in banking. He chaired the Basle Committee (of central banks) on banking supervision, and creating the Target clearance system – "one of my babies".

However, in his role at the central bank, he has become Italy's leading authority on derivatives trading. This background makes him convinced that banks are in many ways easier to supervise than financial markets. The challenge in supervising financial markets is that they are much more "elusive" since they can be privately controlled and have strong "local connections".

Although he is too much of a public servant to express regret, Mr Padoa-Schioppa gives the impression he will miss the formative role he has played in European Union economic and monetary policy. From 1979-83 he was director-general of economic affairs with the Brussels Commission. Subsequently he acted as secretary of the Delors Committee preparing the technical details on economic and monetary union (Emu) for the Maastricht treaty.

His commitment to European integration is not just professional. Mr Padoa-Schioppa is also a firm believer, a point underlined by his recent book *The Road to Monetary Union*.

He believes monetary union will go ahead on schedule even though it is not past the point of no return. "If Emu is on schedule, then the integration of financial institutions will be far more far-reaching than people imagine," he warns.

Acceptance of the Consob post probably means a premature end to Mr Padoa-Schioppa's central banking career which began in 1968. He is resigning from the Bank of Italy and is unlikely, as previously seemed mapped out, to take a place on the board of the European Central Bank. This has led some commentators to complain that his talents – especially his inside knowledge of the Emu process – are being squandered.

However, as an MIT-trained economist and with a record of impartiality as a civil servant, he offers the moral authority necessary to underpin the successful operation of Consob. He has the stature to tighten up on stock market regulation in the same way that Mr Giuliano Amato, the former Socialist premier, has overhauled competition policy since taking over the anti-trust authority.

His attributes will be much needed if, as planned, Italy carries out Europe's largest privatisation programme over the next three to five years. The Bank of Italy's undoubted loss should be the stock market's gain.

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Monday March 24 1997

Soothing the bear

Triumphalism is not in order. But last week's US-Russian summit in Helsinki was in fact a triumph for President Bill Clinton. In managing relations with Russia his administration has, after many understandable hesitations and contradictions, got it just right.

Although, like former president Franklin D. Roosevelt, Mr Clinton appeared in a wheelchair, this summit was no Yalta. Indeed it was Yalta in reverse. Instead of conceding a Russian sphere of influence, Mr Clinton preserved the right of central and east European countries to join alliances of their choice. Adroit stage management on both sides made it look like a triumph for President Boris Yeltsin, but in reality the US gave little or nothing away.

Mr Clinton repeated Nato's December statement that it has "no intention, no plan and no reason" to deploy nuclear weapons on the territory of new member states, and does not foresee any future need to do so. Reference to this is to be included in a document to be negotiated with Russia, but that document will not be a binding treaty.

Mr Clinton also accepted the principle of a "Start III" agreement which will bring the US nuclear arsenal down to de facto as well as de jure equality with that of Russia, while allowing the Russians four extra years to dismantle the warheads they already agreed to scrap under Start II. In a sense this means paying twice for the same Russian concession. Still, this will be a good deal for the west – indeed for the world – if it can be implemented. Russia's nuclear stockpile is now a source of danger almost irrespective of any hostile Russian intent. There is a vital global interest in seeing as much of it as possible destroyed under controlled and verifiable conditions.

Finally, Mr Clinton promised to help speed Russia's entry into various international bodies. But this is happening anyway, and can only be welcomed so long as Russia meets the entry criteria and respects the rules of those bodies that have them, such as the World Trade Organisation. As for the G-7, it is essentially a talking shop. To call its annual summit "the summit of the eight" will not make a great difference, since Mr Yeltsin already attends the political part of the discussions.

These are small prices to pay for retaining Russia's goodwill and co-operation in the management of European security, where its ability to cause trouble, but also to contribute constructively when it so chooses, remains considerable.

Banking risk

The Bank of England's new framework for banking supervision, presented for discussion today, is a clear step forward. Its success will depend, however, on how it is implemented – and, in particular, on the Bank's steadfastness of purpose in handling difficult issues.

The new approach focuses on the inherent riskiness of individual banks' operations. Riskier banks will be reviewed more often. There will be a more systematic assessment of seven different types of risk, including the inherent riskiness of a bank's business. There will be more onsite visits, and talks with a wider range of bank staff. A business unit responsible for more than 5 per cent of a bank's revenues or profits will be given more detailed study. And throughout, there will be a strong emphasis on the quality of internal controls.

The critical question is how far this new system will prevent another Barings crisis, or another Bank of Credit and Commerce International (BCCI). Barings's Singapore operations, run by Nick Leeson, which brought the bank down, would be identified by the new approach as a unit significant enough to deserve detailed study. A Bank team, using this framework, would probably have visited Singapore. There, its focus would have been on internal controls, which the most cursory inspection would have revealed as inadequate.

So far so good. But in other respects the new system will be only as effective as the urgency and commitment of the Bank's most senior staff allow it to be.

The lessons of Barings and BCCI are more uncomfortable here. Barings's ability to ship its entire capital to Singapore was made possible by the supervisors' plodding handling of its request for special treatment under the consolidation rules. In the case of BCCI, many of the bank's weaknesses were well known to the supervisors. What was lacking was the will to tackle them forcefully at an early stage. Despite the formidable array of legal powers at its disposal, the Bank remained fearful of using them. Improved techniques for identifying risks will pay off only if they are accompanied by a commitment to act on their results.

In fairness, this will never be easy. Real-life banking crises often involve tricky issues of judgment, where supervisors must also take into account the unblemished reputation of an institution (as at Barings) or the diplomatic complexities of its status (as at BCCI).

As the Bank of England has always argued, banking supervision is more than the application of a checklist or formula. That does not mean a more systematic approach is not helpful. But as the Bank well knows, it must be employed with firmness of purpose and urgency of action.

Tobacco ethics

Tobacco is unique. It is the only consumer product which, used as the manufacturers intended, kills. This makes it different from alcohol – which in limited quantities may even be beneficial to health – or to cars, or to any of a range of everyday products which when abused can have lethal effects. Use of tobacco, as intended, damages health. Full stop.

The industry has known this for decades. The first clear link between smoking and lung cancer was established in the US and England in 1950. By the mid-1960s, the evidence was incontrovertible. As the Liggett settlement with 22 US states makes clear, it has also known for years that nicotine is addictive.

Yet it has continued in its denials, continued to market its product, and continued, most pointedly, to promote it to the young, desperate to renew the diminishing pool of smokers in western countries.

This raises serious issues of business ethics, which are not unique to the tobacco industry. Asbestos producers covered up the ill-effects of blue asbestos until medical evidence, allied to product liability actions, made their position untenable. Pharmaceutical companies, in areas such as birth control devices or heart drugs, have had to decide when unexpected side-effects from their products require withdrawal.

In these examples, governments have accepted their responsibilities more clearly than over tobacco. They have set exposure controls for asbestos and licensed pharmaceuticals. The companies, in the main, have learnt that bad ethics is bad business. But over tobacco, the income stream from taxation has warped governments' judgment on such issues as advertising and promotion.

More recently, that has been changing. But so far, concern over tobacco has been largely restricted to the west. In response, the industry has focused its attention on the young people of the developing world. As a result, the World Health Organisation predicts that tobacco will be causing 7 million premature deaths a year by 2020 in less developed countries. It would be cynical for western governments to reach settlements with the industry which allow that approach to continue.

Tobacco cannot be banned. But its marketing can be controlled. And if that means the long-term future of the industry becomes bleak, it is an important lesson in the law of consequences. Those who market tobacco – or the sweet-flavoured "alcopops" – to impressionable young people should remember that, in the end, bad ethics will always be bad business.

Waiting for inflation

The US Fed is sooner or later likely to make a pre-emptive strike against anticipated price pressures, argues **Gerard Baker**

It has been called variously the Super-Duper Economy, the Goldilocks Economy, the New Paradigm. Even Mr Alan Greenspan, the Federal Reserve's dour chairman, who is not disposed to colourful prose, was moved last week to call it "close to unprecedented".

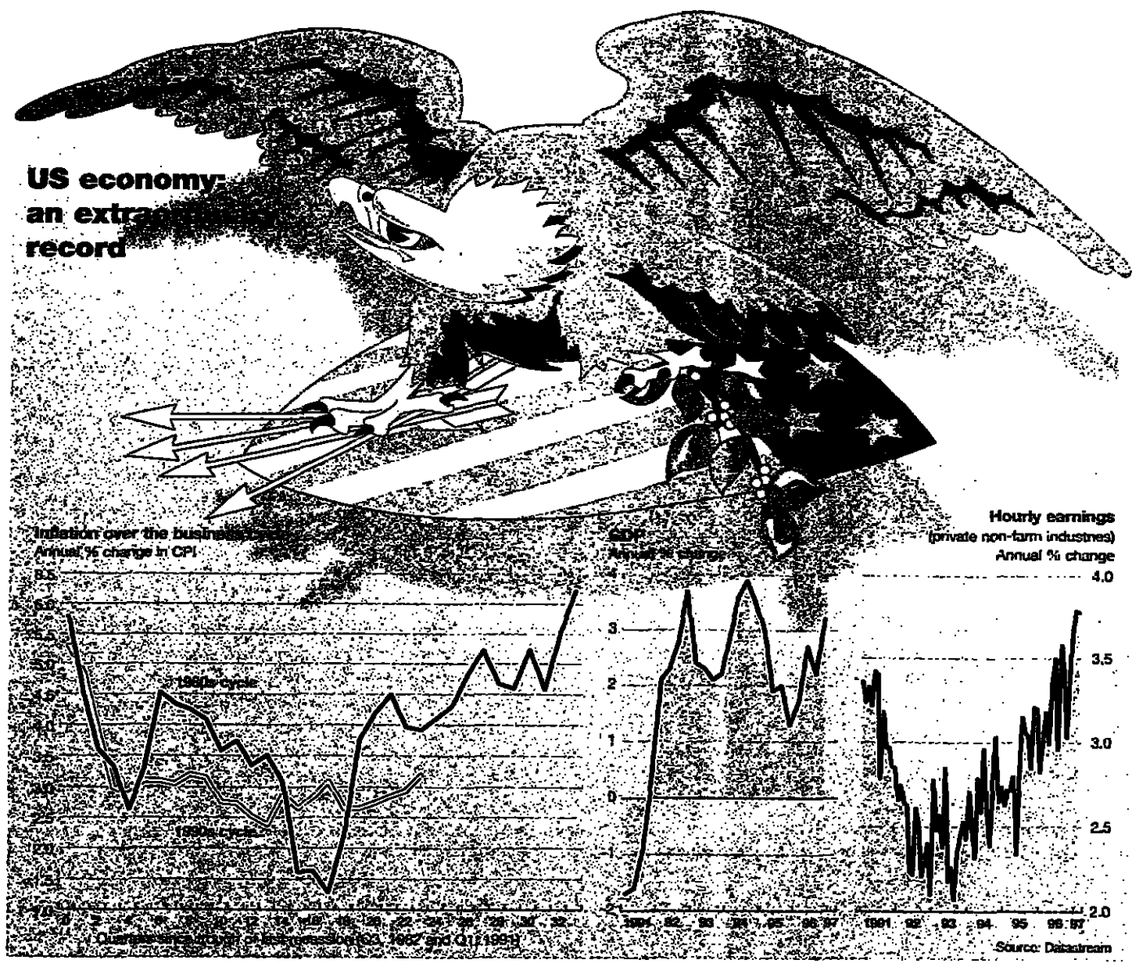
For the past few years the US, unique among the world's leading economies, has enjoyed an extraordinary record of robust growth, rapid job creation and near record-low unemployment. Yet still it has produced almost no sign of the inflationary pressures that have accompanied such a sustained expansion in the past.

How long this benign equilibrium can continue will be the critical question on the minds of the 11 voting members of the Fed's policy-setting open market committee, meeting for their second session of the year tomorrow.

If they believe the brave new world is here to stay, they will leave short-term interest rates unchanged, at least for another couple of months. But if they take the view that this economic nirvana is a transient phenomenon and that growth is now so strong it will soon spark a blaze of inflation, they will have little choice but to raise interest rates for the first time in more than two years.

Next week, the expansion will celebrate its sixth birthday. It is already the third longest upswing in US history and shows no sign of abating. In the past six months the pace of expansion has accelerated sharply.

US consumers have shaken off their recent pessimism, and are more bullish about their current circumstances than they have been for 27 years, according to one survey.



That exuberance has spilled over into higher spending. Retail sales in the first two months of the year rose at a real annual rate of more than 7 per cent from the last quarter of last year. Although the stock market has stumbled in recent weeks it is still 30 per cent higher than it was a year ago. Capital investment is expanding rapidly.

The continuing strong demand has pushed unemployment to near record lows. The jobless rate, currently 5.3 per cent, could well fall further in the next few months.

When the final data for the first quarter of this year are published next month, they seem certain to put the annual growth rate for the first three months of the year at about 3.5 per cent. That would follow a rate of 3.9 per cent in the fourth quarter of last year.

All this vigour would normally have been expected to translate into a surge in inflation, as strong demand for labour, goods and services outpaces the supply and leads inexorably to increases in wages and prices.

Accelerating inflation is considered virtually inevitable when output moves firmly above its long-term trend potential rate, as is clearly now the case.

The potential rate of US growth is officially estimated to be about 2.3 per cent. Six years into an expansion, an economy growing at least 1.2 per cent above its long-term potential rate is headed rapidly into the inflationary danger zone and usually needs to be restrained with a foot on the monetary brake.

Certainly, for the past two months, Mr Greenspan has been hinting that the good times may have become too good. Last week he repeated his warning that the Fed would act to tighten monetary policy pre-emptively, when it felt inflation threatened to rise again.

But, in spite of the mounting evidence of accelerating growth in the past six months, the Fed has not moved yet. The central bank does not usually wait this long for signs of a surge in growth to apply the brakes. In 1994, the last time it began raising interest rates to counter inflationary pressures, it tightened policy after just one quarter's evidence of well above-trend growth.

The reason for the Fed's forbearance this time is the stubborn refusal of inflation to show any signs of accelerating. Consumer prices have been rising at a low, stable rate of about 3 per cent for more than two years. Excluding the volatile food and energy component, the increase is just 2.5 per cent.

The Fed is on record as saying that the CPI probably overstates the true rate of inflation by at least 1 percentage point. That suggests the true level of consumer price inflation is as close to absolute stability as it is probably wise to go.

Consumer prices are merely the end of a long chain of inflationary indicators. Further up the chain there are precious few signs of rising cost pressures. The rate of producer price inflation fell last year, and fell further at the start of this year, to an annual rate of just 2.2 per cent.

Labour, which accounts for the bulk of employers' costs, appears quiescent. In the current tight jobs market wages would have been expected to accelerate by now. But in the past year hourly wage costs rose just 3.8 per cent.

Some economists also argue that, because inflation is so low, monetary policy is already quite tight enough. At 5.25 per cent, the Fed funds rate, the main interest rate targeted by the central bank, is more than 2.5 per cent above the main measure of domestic inflation, the GDP deflator.

The long-term gap between the two figures has hovered around 2 per cent, which suggests current policy is already mildly restrictive.

What explains the continuing near-absence of inflation and how long will it last? Although there are a variety of explanations offered by economists, the Fed's officials point to developments in the labour market, and in particular to three critical determinants.

Productivity, especially in manufacturing, has improved markedly in the past two years. Manufacturing output per hour rose 3.9 per cent in 1996, reducing unit labour costs by 0.3 per cent for the year. Services productivity appears to have been stagnant but Mr Greenspan and other Fed officials believe the official figures underestimate gains in output in this sector.

The main reason for the productivity improvements is probably the giant leap in the possibilities offered by computers, which have spread their benefits throughout the economy. Wage growth validated by productivity growth is not, of course, inflationary.

"We're watching carefully for any signs that wage pressures are mounting more than can be justified by productivity gains. We haven't seen that yet," was the recent verdict of Mr Michael Moskow, president of the Reserve Bank of Chicago and a member of the Fed's open market committee.

A second factor the Fed's economists cite is the slow growth of non-wage labour costs. The cost of health insurance for employers has fallen by more than 10 per cent in the last two years, thanks to changes in the management of healthcare. Other non-wage costs, such as additional employee benefits, have also been held in check.

But the most important component in the view of Mr Greenspan himself is worker insecurity. A much higher turnover of labour in the mid-1990s has heightened workers' concerns about the security of their employment prospects. That has made them much more reluctant to press for higher wages, in spite of their productivity improvements and the tight labour market.

"The willingness of workers in recent years to trade off smaller increases in wages for greater job security seems to be reasonably well documented," Mr Greenspan himself said last month.

In recent months, however, as the pace of economic growth has quickened, there has been some evidence that this factor may be starting to fade. The number of people leaving their jobs voluntarily, a statistic regarded by the Fed as an important indicator of employment insecurity, has been rising steadily since the middle of last year, although it fell back again in February.

The Fed's policy makers are thus left with an ambiguous message. Productivity growth remains strong, offsetting the rise in unit labour costs, and presenting a continuing favourable outlook for inflation. But it may not be strong enough to offset the growing self-confidence workers feel about their job prospects as unemployment falls, a factor that seems certain to lead to a resurgence in wage demands.

On top of that, the pace of economic growth has clearly edged up into a range that will be considered by even the most optimistic of economists as too hot for comfort.

In the absence of clear evidence that the economy is about to lose momentum the Fed will probably conclude that the risks of waiting may be too great. An interest rate rise either tomorrow, or at the next meeting of the open market committee in May, seems increasingly likely.

· OBSERVER ·

Driven to distraction

■ "Never, never, never..." was the response of Peugeot-Citroën boss Jacques Calvet when asked if he would consider a merger with rival Renault. Louis Schweitzer, the Renault chief, has given similarly short shrift to the idea of a love match between France's two big carmakers.

But coolness on both sides has not prevented the notion of a tie-up attracting some influential supporters; former French president Valéry Giscard d'Estaing – Calvet's one-time boss – last week threw his weight behind the idea. He used an article in L'Express magazine to argue that a Renault-Peugeot marriage would be "the most advantageous" of all possible combinations for restructuring the European car market.

It would be too easy to write off VGE, as he is universally known in France, as a has-been who's lost his political clout. After all, his last high-profile intervention in policy matters – calling for a depreciation or devaluation of the French franc – turned out rather well.

Since Giscard caused a stir with his comments last November, the value of one $1 has risen from about FFr5.22 to FFr5.73. With Calvet, 65, due to step down at Peugeot in September, is it possible that VGE is again ahead of the game?

Old mould

■ However much they feign indifference, stars at tonight's much-hyped Hollywood ceremony would give their eye teeth to pick up an Oscar. So it's refreshing to learn that Owen Siegel, proprietor of RS Owens, the Chicago metal-basher which makes the precious statues, can't remember the last time he went to the movies.

Not that Siegel, a sprightly septuagenarian, is off-hand about his work; each Oscar is hand-cast in pewter and plated with copper, then nickel, silver and finally gold. "You could pay for a couple of Emmys or Clios with just the gold that goes into an Oscar," he says proudly, though he's keeping quiet about how much they cost to make.

Bit parts

■ It's a topsy-turvy Europe says Michael Kühn, president of PolyGram Filmed Entertainment, the company behind recent celluloid classics including *Four Weddings and a Funeral*, *Train Spotting* and *Priscilla Queen of the Desert*.

Kühn and his cronies from other European film outfits want member states to set up a modest guarantee fund of Ecu60m ($69m) to support the industry; at present most European film makers go to Hollywood for funding because local backing is scarce. Kühn says governments would not have to dip into national coffers – the fund could come out of part of the EU budget already allocated for the audiovisual sector. But the week after Germany announced a new DM1bn ($500m) subsidy for its shipbuilding sector, Kühn's optimism is fading. He points an accusing finger at the UK, the Netherlands and Germany, which are blocking the release of the funds – a depressing trio for the British president of a Dutch film company whose father was born in Berlin.

Forked tongue

■ The US State Department has been busy playing-down a cable sent to its ambassador in Albania, urging her to take good care of embassy silverware.

The message reminded Marisa Lino – who's been presiding over the escape of hundreds of foreigners from the riot-torn Balkan state – of the department's "policy for safeguarding sterling silver flatware (cutlery) on the occasion of an evacuation". It said she should consider stowing the valuables at her residence or shipping them out with her personal effects.

The cable was signed "Albright", although apparently all messages to foreign missions bear the signature of the secretary of state, whether or not she sees them. The message was in fact sent by the department's interior design and furnishings division, a spokesman earnestly explained.

Some mistake

■ Mzi Khumalo, the former political prisoner who last week took over as chairman of JCI, the world's sixth largest gold producer, has been lauded as the new champion of black economic empowerment in South Africa. During a recent tour of his business, thousands of miners and their families turned out to see in the flesh the first black chairman of a South African mining house.

But news of this phenomenon has been slower to sink into the depths of the group's Johannesburg head office. When Khumalo first parked his car in the chairman's basement parking space, a JCI security guard rushed over to tell him that space was reserved for the boss. "But I am the chairman," explained Khumalo. With a frown the guard replied: "I'll have to check that."

The Financial Times 100 years ago

The Cretan Crisis
The French marines have not been able to land owing to the roughness of the sea. The French and Russian troops are expected to arrive to-morrow, and the British and Austrian troops about the middle of next week. Copies of the proclamation of autonomy were handed to the insurgents at Akrotiri yesterday evening. Three Turkish soldiers were surprised last night pillaging a Christian house at Haleja. On being discovered they fired on the Montenegrin gendarmes, who replied, killing one of the Turks.

The Italian Elections
The decisive victory of the Government at the Italian elections has greatly relieved the Continental Bourses by removing one element of uncertainty from the situation. It will also enable Italy to act more firmly in support of Anglo-French policy in the Eastern question, thereby eliminating a source of weakness in the European Concert. The triumph of the Government is very thorough, 297 Ministerialists being elected against only 70 of the Constitutional Opposition, 17 Radicals and 8 Socialists, so that there is an overwhelming majority over all the other parties combined.

FINANCIAL TIMES
Monday March 24 1997

Asian car production set to exceed demand

By Peter Montagnon, Asia Editor, in London

Asia's car production capacity is growing far in excess of forecast demand in the region, creating a risk of a serious shake-out by the end of the decade, according to a survey by DRI/McGraw Hill, the business researchers.

The research contradicts the common view that western car manufacturers can compensate for sluggish growth at home by relying on fast-expanding Asian emerging markets.

"With all manufacturers having ambitious plans to increase capacity and exports, we expect excess capacity to become a major issue in almost every Asian country by the end of the decade," said Mr Ashvin Chotai, author of the survey.

Top vehicle manufacturers achieve capacity utilisation rates of more than 85 per cent from their plants in developing Asia. By 2000, they will find it hard to achieve rates of 75 per cent.

Across the region capacity utilisation is expected to drop to 57 per cent in 2000 from 67 per cent in 1995.

A particularly sharp drop is expected in South Korea where capacity is likely to grow rapidly as a result of Samsung's entering the industry in 1998 and Ssangyong's planned increase in production. Capacity use may drop to 52 per cent by 3001 from 72 per cent in 1995, the survey says.

Excess capacity plagues China already, especially in the passenger car sector which has been squeezed by cuts in government – the main buyers. Manufacturers there were selling at a loss last year.

While China's light commercial vehicle market may recover with the economy, the car market faces structural problems, Mr Chotai said.

"Heavy promotional campaigns and price wars will plague vehicle manufacturers operating in India," Mr Chotai added.

"This is quite a turnround. As recently as 1995 the market was supply-constrained and waiting lists for cars were common. A shakeout is inevitable."

Capacity in south-east Asia is expected to rise to more than 3m units by 2000 from 1.6m units in 1995, thanks largely to substantial investment in Thailand by General Motors, Ford, Mazda, Honda, Mitsubishi and Nissan.

Asian Automotive Industry Forecast, DRI/McGraw Hill, 1 Hartfield Road, London SW19 3RU. Tel +44 181 543 1234, Fax 545 6248.

Israel calls on Palestinians to crack down on terrorism

By Avi Machlis in Jerusalem

Israel yesterday pressed the Palestinian Authority to crack down on Hamas, the Islamic movement responsible for a suicide bombing which killed three Israelis in Tel Aviv last week.

"I want them to start fighting terrorism as they promised," said Mr Benjamin Netanyahu, Israeli prime minister, after a meeting of the inner cabinet. "Then we can discuss many many other issues." There had been speculation that Israel would suspend peace talks as a result of the bombing.

Israel's senior ministers demanded that the Palestinians arrest Hamas activists, collect illegal arms and "tighten security co-operation" with Israel.

Earlier in the day Mr Jibril Rajoub, Palestinian security chief, met Mr Avigdor Kahalani, Israeli public security minister, in an attempt to bolster co-operation in the aftermath of the suicide attack.

Israel closed its borders with the West Bank and Gaza immediately after the attack and a threat by Hamas to carry out more bombings.

After the meeting Mr Rajoub told Israel Radio: "Goals will not be reached with pressure. Co-ordination and dialogue is the only way." Nevertheless, senior Israeli military officials said a few hours later that Palestinian security forces were not co-operating with Israel in clamping down on Hamas.

Also yesterday Mr Ahmed Abdel Rahman, Palestinian cabinet secretary, traced the current Israeli-Palestinian crisis to Israel's move last week to build Har Homa, a Jewish neighbourhood on a hill called Jabal Abu-Ghneim in Arab east Jerusalem.

Palestinians had predicted widespread violence in reaction to the Israeli decision. At least 100 Palestinians protesting about Har Homa were wounded at the weekend in clashes with Israeli soldiers on the boundary between Israeli and Palestinian-controlled areas in the West Bank town of Hebron.

After the inner cabinet meeting Mr Netanyahu repeated his accusation that the Palestinian Authority gave a "green light" to Hamas to carry out attacks against Israel, a claim rejected by Palestinians and the US.

Political analysts said Mr Netanyahu had to press the Palestinians to control Hamas as he had come to power on campaign promises to provide "peace and security" to Israelis. It was the first Hamas bombing since Mr Netanyahu was elected last May.

Mr Yassir Arafat, Palestinian president, rallied at Israel's determination to build Har Homa and criticised the US for thwarting a UN condemnation of Israel.

Business is business but sevens are heaven in Hong Kong

By John Ridding and Louise Lucas in Hong Kong

Businessmen are a hard-headed lot when it comes to Hong Kong, unruffled by its imminent return to China.

But as the final whistle blew yesterday at the last rugby world seven-a-side tournament before the handover, emotions slipped through the sang-froid.

"It must go on. It would be a disaster if it didn't," said a tartan-clad executive from a UK blue-chip company which, like many groups, convenes a Hong Kong board meeting for sevens week.

Since the tournament was launched 22 years ago the sevens has established itself as a raucous spring ritual for businessmen and rugby fans. Boardrooms decamp to the stadium amid fervent crowds from abroad and the local, largely expatriate, community.

July brings uncertainty for all Hong Kong institutions. But like the smooth-running Fijians, victorious on the field, fans and organisers are confident the tournament will sidestep the handover.

Part of the confidence comes from business. Hong Kong's annual sevens has been broadened this year to encompass the four-yearly world championship, and the event has injected some HK$100m into the local economy, according to the local tourist association.

Businessmen underline broader benefits. "It's a tremendous opportunity for business-building interaction," says Mr Hung, who had four or five meetings lined up for Saturday.

Others point to the international nature of the sevens. "This is not a British event. It is a Hong Kong event," says Mr Simon Murray, chief executive for Asia Pacific at Deutsche Bank.

A stadium official points to teams from countries as divergent as Canada, the Cook Islands, Wales and Western Samoa.

Mr Tung Chee-hwa, the territory's future leader, underlined the need to keep international events in Hong Kong and predicted the tournament would thrive under China.

Most important, say rugby officials, is the growing support for the sport on both sides of the border. Local interest this year was spurred by the selection of the first ethnic Chinese player for the Hong Kong team, Chan Fuk-ping.

Mr Chiu Kwok-kwong, assistant director of the Hong Kong Rugby Football Union, believes China will emerge as Asia's rugby superpower. "Life in China is tough, and rugby is a tough sport," he said. "And, of course, they have 1.2bn people to choose from."

THE LEX COLUMN

Defensive measures

A horseshoe is supposed to be a symbol of good luck. But, in the context of the French defence industry, it could be a bad omen. Speak to defence executives from other European countries these days and there is much concern about French chauvinism: how France's insistence on controlling everything is making it hard to restructure Europe's industry. Talk then turns to "horseshoe" tactics: can they cut deals among themselves so that the French eventually feel so encircled that they come to the table?

France's chauvinism has been most obviously displayed in its approach to privatising Thomson-CSF, the defence electronics group. The government's attitude has been non-French groups are welcome only as subordinates. This provoked the first example of the horseshoe tactic: GEC's negotiations over defence collaboration with Italy's Finmeccanica. And if GEC acquires Siemens's defence businesses, the horseshoe will have a German side too.

The danger that France ends up in splendid isolation has caused a subtle change in attitudes: now foreigners are being encouraged to support French bids for Thomson-CSF, though not to bid on their own. In aerospace, the risks of Fortress France are even greater: the country is already out on a limb because it is building the Rafael jet rather than the Eurofighter project. Unsurprisingly, state-owned Aérospatiale – which is about to merge with Dassault Aviation, leader of the Rafael project – is particularly anxious to keep lines open to the British and Germans.

But will this softening line be enough? Early signs are mixed. Mr George Simpson, GEC's new managing director, prefers managing businesses. So GEC is unlikely to agree to pooling its Marconi defence unit with Thomson in exchange for just a minority stake.

How this game plays out depends, in part, on the Germans. If France can rely on its traditional strong political links with its neighbour, it may be able afford to take a nationalistic line. But increasingly, German commercial interests are aligned with Britain's: witness the Anglo-German front between British Aerospace and Daimler-Benz Aerospace on restructuring Airbus.

With Thomson-CSF, the issue will also be influenced by which French bidder wins: Alcatel or Lagardère. Alcatel has been presenting itself as particularly keen to cut deals with non-French partners. The snag is that this would involve a U-turn by Mr Alain Juppé, France's prime minister, who originally backed the Lagardère bid.

But the biggest factor will be whether France sticks to its line that it should be in charge because it has the biggest defence businesses. This argument is fair enough, as far as it goes. But it ignores the fact that France's companies are neither the most profitable nor valuable. Nor does it take account of the fact that other big European countries are nationalistic too. So the recent apparent softening of France's position is probably not enough. More horseshoe tactics could be needed.

Bass

Bass looks set to be the Labour government's first corporate football. The incumbent government receives the Monopolies and Mergers Commission's report on Bass's acquisition of Carlsberg-Tetley today. But merging the brewers would mean instant job losses in the marginal Tory seat of Burton-upon-Trent during an election. So the report is almost certain to be donated to a new Labour trade and industry secretary.

Labour could in theory support Bass, whose arguments have some merit. The deal would push Bass's share of UK beer sales to around 35 per cent, but the market is highly competitive, with minimal returns on capital – even though C-T has been a hamstrung competitor. And if C-T has to limp back into the arms of an unwilling parent, Carlsberg, its competitive position will not improve. Indeed, more jobs could be lost than under Bass's plan. Nonetheless, Labour has promised a more aggressive pro-competition policy, so it would be putting out crossed signals if this deal went through.

If it does not, the result is not disastrous for Bass. It would lose £60m ($95m) from selling C-T back to Carlsberg, but since it would share C-T's 1997 profits, total losses would be below £20m. Allied Domecq would have to pay out £63m and get back 15 per cent of C-T. Worse still, its pubs would have to buy beer from C-T for another five years at "closer" to market rates, which means premium prices. But the real loser would be Carlsberg, which gets the majority of an unwanted loss-making brewer. If it cannot persuade someone like Anheuser-Busch to expand its UK presence by buying it, painful restructuring will be inevitable.

Stagecoach

Stagecoach shares hit the buffers last week as investors reflected on the South West Trains shambles, and deservedly so. It is not the threat of a fine which is the worry: the figure would be immaterial in share price terms. Nor does it look remotely likely that the franchise will be confiscated, tempting though that must be politically. Nevertheless, investors are inevitably starting to wonder whether initial cost-cutting hopes were over-aggressive. And more importantly, faith in Stagecoach's ability to digest a never-ending stream of deals can only have been shaken.

This raises the question: once hopes of yet more value-enhancing deals are stripped out, what is Stagecoach really worth? Start with the bus operations – tightly run but in a very mature market. To value their earnings stream on a market rating looks more than fair. Then take the Porterbrook rail leasing business. Most analysts think its cash flows are probably worth roughly £1bn – 20 per cent more than Stagecoach recently paid for the business. Such figures rely heavily on profits after existing leases expire, which are anyone's guess. But for the sake of argument, take £1bn and then assume £120m for the net present value of South West Trains. And what does this far from gloomy set of assumptions suggest? That Stagecoach's real worth is around 540p a share – nearly 30 per cent below the current price. Shareholders should be heading out of the station.

Steel merger

Continued from Page 1

responsibility" and come to a "sensible settlement".

Anger against Germany's banks continued to mount because the UK-based investment bank subsidiaries of Deutsche Bank and Dresdner Bank are among Krupp's advisers, while the German parent banks are represented on the Thyssen supervisory board.

The IG Metall union at Thyssen has called on the company to sever links with Deutsche Bank and Dresdner Bank.

Russian overseas bond issues

Continued from Page 1

return to health and the successful launch earlier this month of Russia's first D-Mark-denominated bond have established favourable conditions for other prospective Russian borrowers.

Russia's D-Mark-denominated bond, which was priced to yield 3.7 percentage points more than the equivalent German government bonds, will be used as a benchmark for Russian corporate and "quasi-sovereign" debt issues in the German currency. Russia's debut dollar bond is trading at about 3.25 percentage points higher than equivalent US Treasury bonds.

Traders say that with with coupons of 9 per cent or more, the expected bond issues will be priced to offer higher yields than most other emerging market bonds.

"There is a real shortage of high-yielding debt in the market at the moment," said a London bond trader.

"Russian debt will be very popular with investors both for its rarity value and for the returns on offer."

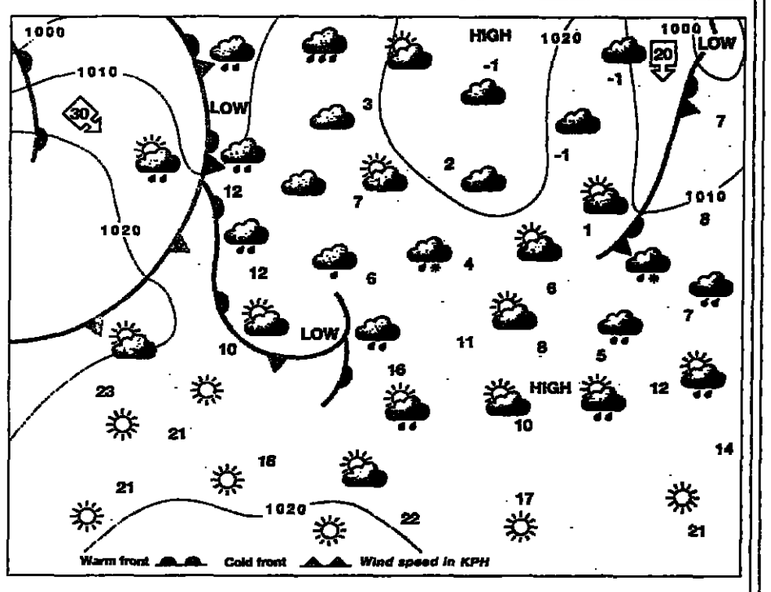
FT WEATHER GUIDE

Europe today

Much of Europe will be wet. The British Isles will have persistent rain. Ireland will have sun and showers. Northern France will also have rain, although the south will be mainly dry with sun and cloud. The Benelux will be overcast. Germany will have some sunny spells.
The Iberian peninsula will be mostly sunny. Northern Italy will have showers as low pressure stalls over the region.
The Swiss Alps will have snow above 1500 metres.
Most of the Balkans will have sun and cloud, but the Black Sea area will have rain and sleet showers.

Five-day forecast

High pressure from the Atlantic will expand towards eastern Europe on Wednesday, resulting in fair conditions over central Europe. Northern Europe will be overcast and rainy, as a disturbance moves from the Atlantic into southern Scandinavia.



TODAY'S TEMPERATURES

Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

	Maximum Celsius											
		Beijing	sun 16	Caracas	fair 29	Faro	sun 20	Madrid	sun 21	Rangoon	fair 35
		Belfast	shower 11	Cardiff	rain 11	Frankfurt	cloudy 12	Majorca	sun 19	Reykjavik	rain 8
Abu Dhabi	cloudy 25	Belgrade	fair 8	Casablanca	sun 20	Geneva	shower 14	Malta	fair 17	Rio	fair 28
Accra	fair 32	Berlin	fair 7	Chicago	rain 9	Gibraltar	sun 18	Manchester	rain 12	Rome	shower 16
Algiers	sun 18	Bermuda	fair 18	Cologne	cloudy 12	Glasgow	rain 10	Manila	fair 31	S. Fraco	sun 24
Amsterdam	cloudy 10	Bogota	fair 19	Dakar	fair 24	Hamburg	fair 8	Melbourne	fair 19	Seoul	sun 14
Athens	fair 11	Bombay	sun 32	Dallas	fair 25	Helsinki	fair 0	Mexico City	fair 24	Singapore	fair 32
Atlanta	sun 19	Brussels	rain 11	Delhi	sun 28	Hong Kong	cloudy 19	Miami	fair 29	Stockholm	fair 3
B. Aires	sun 20	Budapest	cloudy 5	Dubai	cloudy 26	Honolulu	shower 28	Milan	rain 14	Strasbourg	rain 12
B.ham	rain 12	C.hagen	cloudy 4	Dublin	shower 11	Istanbul	shower 5	Montreal	fair -1	Sydney	fair 24
Bangkok	fair 38	Cairo	sun 19	Dubrovnik	rain 11	Jakarta	shower 32	Moscow	cloudy -1	Tangier	sun 20
Barcelona	sun 17	Cape Town	fair 23	Edinburgh	rain 11	Jersey	rain 10	Munich	rain 9	Tel Aviv	rain 14
						Karachi	sun 32	Nairobi	fair 29	Tokyo	fair 13
						Kuwait	sun 23	Naples	shower 13	Toronto	fair 3
						L. Angeles	sun 25	Nassau	sun 27	Vancouver	rain 12
						Las Palmas	shower 22	New York	sun 7	Venice	rain 11
						Lima	cloudy 25	Nice	fair 19	Vienna	sleet 4
						Lisbon	sun 23	Nicosia	fair 15	Warsaw	cloudy 2
						London	rain 13	Oslo	rain 5	Washington	sun 12
						Lux.bourg	fair 11	Paris	rain 12	Wellington	rain 14
						Lyon	fair 14	Perth	fair 30	Winnipeg	snow 0
						Madeira	sun 20	Prague	cloudy 7	Zurich	shower 10